

PAPON: JUDGMENT DAY

INTERNATIONAL Herald Tribune

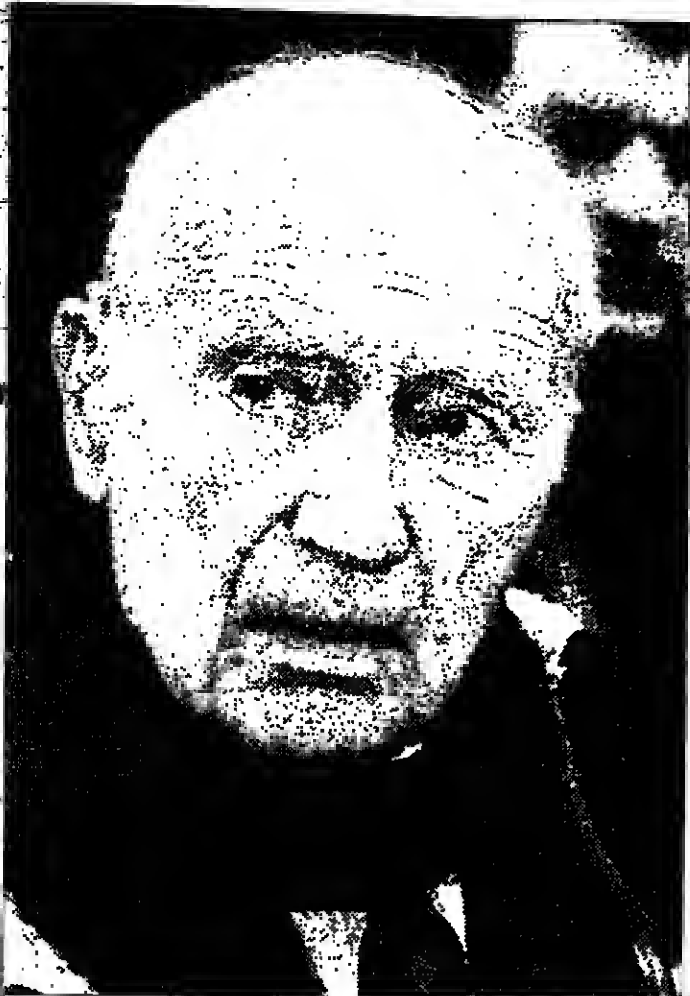
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

Paris, Friday, April 3, 1998

No. 35,796



Maurice Papon before hearing the verdict went against him.

10-Year Term Ordered for War Crimes

Career French Civil Servant, 87, Guilty of Complicity With Nazis

By Craig R. Whitney

New York Times Service

BORDEAUX — In a historic judgment on the role that French administrators in German-occupied territory played in the Holocaust during World War II, a court found Maurice Papon, a career French civil servant, guilty.

Three judges and nine jurors wrestled for 19 hours over their verdict after a six-month trial before finding Mr. Papon guilty of complicity in Nazi crimes against humanity because he turned Jews over to the Germans in occupied Bordeaux.

The charges stemmed from the deportation of more than 1,500 Jews from southwestern France to their deaths in the Auschwitz concentration camp in 1942 and 1943.

The criminal court of the Gironde region, where he worked as a functionary in the wartime collaborationist regime in Vichy half a century ago, handed down its findings Thursday morning.

The court imposed a 10-year prison sentence, with deprivation of civil rights, on the 87-year-old Mr. Papon. Prosecutors had asked for a 20-year term.

He will remain free while he appeals.

Mr. Papon, a former prefect of police in Paris and national budget minister when the charges first came to light 17 years ago, was furiously unapologetic for his actions as a young civil servant. He also was forceful in his own defense throughout the 94 days of his trial, twice delayed by his bouts with illness.

"By finding me guilty, you would at the

same time discredit the very notion of a crime against humanity, which is aimed at absolute monsters like Hitler and Pol Pot," he lectured his three judges and nine jurors before they began deliberations on Wednesday.

In 1942 and 1943, Mr. Papon was the second-highest civil servant in the bureaucracy around Bordeaux and thus became the highest-ranking French civilian official ever to be tried on war crimes charges.

His actions, he said during the trial, were those of a civil servant trying to do his job conscientiously in a terrible time — a victim, not a perpetrator.

But it was precisely that unquestioning kind of bureaucratic obedience to criminal and immoral orders that made the Holocaust murders of Jews possible, French prosecutors argued, and for the first time

since the war they put a French bureaucrat on trial for being an accessory to it.

Jews and some lawyers for the survivors faulted the verdict for absolving Mr. Papon of the charge of knowingly furthering systematic plans for the extermination of the Jews by officially cooperating with the German occupation authorities.

Defenders of the idea that Vichy was a lesser evil that spared France and its 330,000 Jews from even worse fates at the hands of the Germans denounced Mr. Papon's condemnation as an insult to the memory of the Resistance he also claimed to have served.

Mr. Papon could die within 10 years, and Thursday, holding his chin in his hands,

See PAPON, Page 4

Pessimism in Japan Hits Asian Markets

Sony Chief Likens Economic Situation To Eve of the Depression Under Hoover

By Sheryl Wynn

New York Times Service

TOKYO — As Prime Minister Ryutaro Hashimoto arrived in London on Thursday to discuss with world leaders how to solve Asia's crisis, the bad economic news in Japan sent markets tumbling around the region.

At the Asia-Europe Meeting, Mr. Hashimoto is expected to pledge that Japan will try to help Asian economies recover by first bolstering its own economy. But many economists say that Japan is now teetering on the verge of recession, if it is not already in one, and that any real economic recovery will be elusive unless radical steps are taken.

A closely watched quarterly survey of business sentiment released Thursday, the *tanken* report, was much gloomier than expected and reflected some of the most disappointing trends in more than two decades. In reaction, Japanese share prices fell 3.3 percent, their highest tumble of the year.

The Bank of Japan, which conducts the survey, said it would now have to examine whether or not the economy was in a recession.

The bad news of the report was reinforced by Norio Ohga, chairman of the Sony Corporation, who lashed out at Japanese politicians and painted a grim picture of the nation's prospects should policymakers fail to dramatically alter the course of the economy.

"Japan's economy is on the verge of collapse," Mr. Ohga said. He elaborated on the comment, saying that while the slight eight-months of a percentage point decline in gross domestic product that many economists had predicted for this year might not seem like much, it could kick off a "negative spiral" that would ultimately drive the rest of the world into recession.

Mr. Ohga had unusually harsh words for Japan's politicians, repeatedly comparing Prime Minister Ryutaro Hashimoto to Herbert Hoover on the eve of the Depression. "They are very domestic in their thinking," he said. "But we are now part of the global system." He said the year ahead for Sony would be "very severe." (Page 17)

Economic data released in the last few days show that unemployment has reached a 45-year high, household spending is dropping and the nation's propensity to spend is at its lowest since 1970. Industrial production is also sliding, and corporate profits are expected to fall.

"We have entered a downturn — things are going to get nasty very

See JAPAN, Page 12

Relief in Clinton Camp as Lawsuit Fails

A Costly Victory For President And the Nation

By Dan Balz

Washington Post Service

WASHINGTON — The decision of Judge Susan Webber Wright to dismiss the Paula Jones lawsuit instantly reshaped the battlefield between President Bill Clinton and his accusers, and it will significantly complicate the work of the independent counsel, Kenneth Starr, and Republicans in Congress who have been contemplating impeachment proceedings against the president.

Time and again, Mr. Clinton has proven his political resilience in the face of accusations of personal or ethical impropriety. But on Wednesday, Judge Wright gave the president something he has never enjoyed in the long struggle with his opponents: a clear-cut legal victory and an escape from the sensational headlines that would have accompanied a trial later this spring.

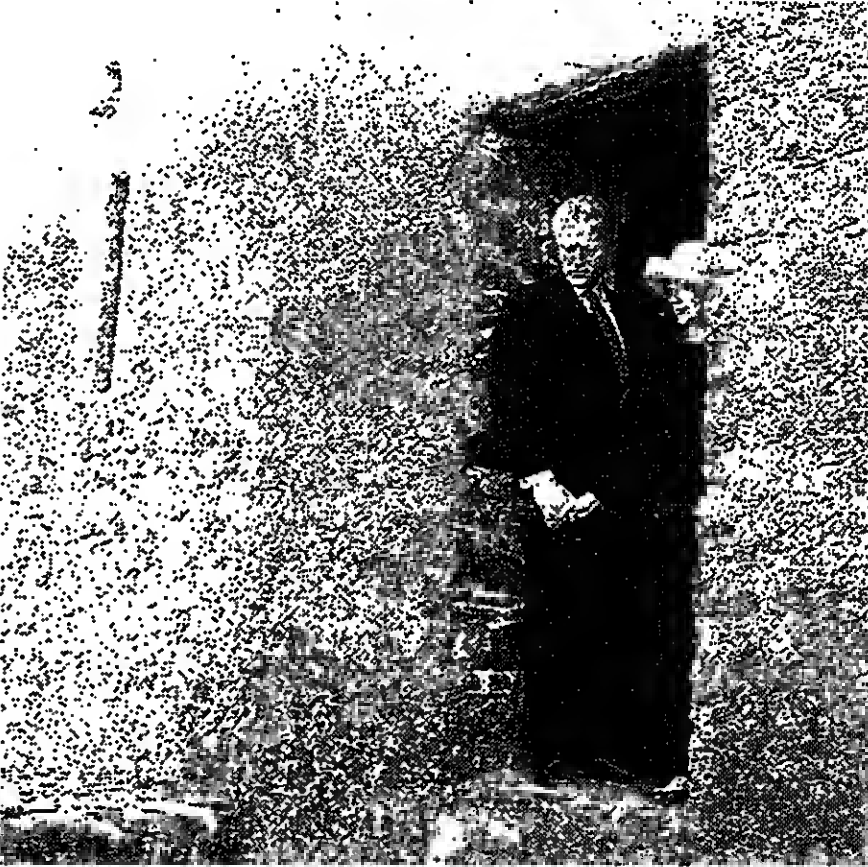
And yet victory comes at an enormous price. For a woman who may never see the inside of a courtroom in her battle against the president, Mrs. Jones has inflicted considerable damage on Mr. Clinton, and her lawsuit has had an indelible impact on the American political system and on other institutions in American life.

Her lawsuit has provided the grist for the most serious allegations still facing the president, those of perjury and obstruction of justice.

Without Mrs. Jones, there would be no Monica Lewinsky, the former White House intern whose alleged affair with the president — and a similarly unproven claim that the president or his friend, Vernon Jordan Jr., may have urged her to lie about it — remains at the heart of Mr. Starr's Washington investigation.

Without Mrs. Jones, there would be no Kathleen Willey, whose claim that the president made an unwanted sexual advance against her in the Oval Office suite was turned into a prime-time television moment of high drama, only to become clouded by conflicting information, like so much else in that has involved the president's personal life.

And without Mrs. Jones, there would not have been the flood of depositions



Mr. Clinton and his wife, Hillary, on Thursday at the house on Goree Island, Senegal, where slaves were held before being sent to the Americas. Page 2.

After the Surprise, Renewed Determination

• Legal wisdom about Jones v. Clinton was that it was a weak case, but one that would most likely survive the effort to have it dismissed. Page 3.

• Starr summons the president's chief of staff before the Whitewater grand jury and vows to press ahead with his criminal investigation. Page 3.

dumped into the public domain accusing the president of sexual adventures with other women, from a former Miss America to an old Arkansas classmate to the woman whose story first endangered Mr. Clinton's political career in 1992, Gennifer Flowers.

Mr. Starr's investigators continue to examine this material, attempting to determine not simply whether claims of sexual activity between Mr. Clinton and other women are true, but whether the president and his allies have engaged in a pattern of

obstruction both in the Jones case and in the longer and still unresolved investigations into Arkansas land deals, missing legal records, the dismissal of the White House travel office and other matters.

These are serious matters, and Mr. Starr's office was quick to issue a statement Wednesday asserting that Judge Wright's ruling would have no direct effect on his investigations. But the ruling from Little Rock, Arkansas, will put even

See BATTLE, Page 3

Judge Dismisses Jones Action on Sex Harassment

By Thomas W. Lippman

Washington Post Service

WASHINGTON — President Bill Clinton wrapped up a six-nation tour of Africa and headed for home Thursday politically bolstered and personally relieved by a federal judge's decision to throw out Paula Jones's sexual harassment lawsuit.

Judge Susan Webber Wright of the U.S. District Court in Little Rock, Arkansas, ruled Wednesday that Mrs. Jones and her lawyers had presented no evidence to support her claims of emotional distress or retribution on the job resulting from her alleged 1991 hotel room encounter with Mr. Clinton.

"The plaintiffs' allegations fall far short of the rigorous standards for establishing a claim of outrage under Arkansas law," Judge Wright said in the ruling, adding, "The court has determined that her quid pro quo and hostile work environment sexual harassment claim are without merit and warrant a grant of summary judgment."

While Mr. Clinton and his lawyers had long argued that Mrs. Jones had no legitimate legal case, Judge Wright's ruling shocked both sides. Her dismissal of the case without a jury trial was an immense political and legal victory for the president, who had unsuccessfully petitioned the U.S. Supreme Court to delay the case until after he leaves the White House. But it did not end his legal troubles, because it had no direct bearing on the separate criminal investigation by the Whitewater special counsel, Kenneth Starr.

A grand jury in Washington resumed hearing witnesses in that proceeding Thursday morning, even as Mr. Clinton and his entourage in Senegal were expressing their relief and gratification at Judge Wright's ruling.

"Obviously, I'm pleased with the decision, and I think the judge's opinion speaks for itself," Mr. Clinton said as he prepared to deliver a major speech on U.S.-Africa relations on Goree Island, a former slave-trading port in Senegal.

The most important thing, he said, is

See CLINTON, Page 3

Asian Crisis Scars Profits At Europe's Blue-Chips

By John Schmid

International Herald Tribune

FRANKFURT — The mounting cost of Asia's economic crisis in Europe became clearer Thursday as a succession of blue-chip companies, including Siemens AG and Deutsche Bank AG, added up the toll taken by the region's abrupt slowdown.

"Operating profits are not satisfactory," said Rolf Breuer, Deutsche

Bank's chief executive, citing both the "exceptional effects arising from the crisis in Asia" and shortcomings in the bank's internal structure.

Releasing the bank's financial report for 1997, Mr. Breuer said Germany's largest bank had set aside 1.4 billion Deutsche marks (\$755.8 million) in provisions to cover risky loans in Indonesia, South Korea, Thailand and Malaysia. The volume of those risk provisions, which more than tripled the previous year, contributed to a drop of more than 50 percent in the bank's 1997 net profit.

ING Groep NV, a Dutch banking group, said Thursday that turmoil in Asia had prompted it to allocate 500 million guilders (\$239.5 million) in provisions for Asia. Despite the setbacks in Asia, ING managed to report a 24 percent increase in 1997 net profit but said the uncertainties in Asia made it difficult to make a forecast for the current year.

"It is still too early to make a firm profit forecast, in view of, among other factors, the developments in Asia," the Dutch bank said.

Newsstand Prices	
Andorra.....10.00 FF	Lebanon.....11.3.000
Antilles.....12.50 FF	Morocco.....16 Dh
Cameroon.....1.600 CFA	Qatar.....10.00 QR
Egypt.....5.50	Réunion.....12.50 FF
France.....2.800 FF	Saudi Arabia.....10 SR
Gabon.....1.100 CFA	Senegal.....1.100 CFA
Guinea.....2.800 CFA	Spain.....225 Ptas
Italy Coast.....1.250 CFA	Tunisia.....1.250 Dh
Jordan.....1.250 JD	U.A.E.....10.00 Dh
Kuwait.....700 Fils	U.S. M.L. (Eur).....\$1.20



See BANK, Page 12

AGENDA

'89 China Protester to Be Freed, U.S. Says

China has agreed to release a noted dissident, Wang Dan, for medical reasons, and send him into exile, according to senior U.S. officials. The officials said the release was

part of a deal after Washington eased its stance on China's human rights policies. Refusing to confirm the news, China said prisoners who met medical guidelines could be paroled. Page 6.

The Dollar	
New York	Thursday 3 P.M. previous close
DM	1.8539 1.8524
Pound	1.6635 1.6712
Yen	133.45 133.675
FF	6.2121 6.2065

The Dow	
Thursday 3 P.M. previous close	
+113.59	8881.91 8888.32
S&P 500	
change Thursday 3 P.M. previous close	
+11.59	1118.74 1108.15

Books.....	Page 9.
Crossword.....	Page 11.
Opinion.....	Pages 8-9.
Sports.....	Pages 20-21.

The Internet.....	Pages 6-7.
The IHT on-line.....	www.ihl.com

Le Pen's Rights Lifted For Assault on Leftist

A French court convicted the far-right leader Jean-Marie Le Pen of assaulting a Socialist politician and stripped him of his civil rights for two years. The verdict on Thursday could bar him from running for the European Parliament next year. Page 4.

IMF and Indonesia Coming to Terms

As Indonesia inched closer Thursday to an accord with the International Monetary Fund on a \$43 billion assistance package, analysts described the amended deal as far more acceptable to President Suharto. Page 13.

With Ruling in Germany, Euro Clears Final Hurdle

By William Drozdiak

Washington Post Service

BERLIN — Germany's highest court removed the last major obstacle to the creation of a single European currency by ruling Thursday that two challenges to block its introduction were groundless.

The plaintiffs, who included four prominent professors, argued that substituting an untested European money for the strong Deutsche mark would violate the German Constitution, which stipulates the people's basic right to a stable currency.

The Federal Constitutional Court in Karlsruhe said responsibility for such a decision rested with government and Parliament, not the judiciary branch, and called the plaintiffs' petition "clearly ungrounded."

Chancellor Helmut Kohl welcomed the court's finding and said the way was now clear to introduce, next January, the first Continental currency since the days of the Roman Empire.

The German Parliament is expected to give overwhelming approval to the currency plan this month, and a summit meeting of leaders of the European Union

on May 2-3 will announce that 11 nations should become founding members of the Economic and Monetary Union.

Speaking before Parliament, Mr. Kohl said the new money, the euro, would help Europe respond to the challenges of global markets and restore greater equilibrium to international finance. He claimed the euro-zone would flourish as an oasis of prosperity, encompassing 300 million people who earn a fifth of the world's income.

Finance Minister Theo Waigel hailed the decision, saying the critics of the euro had suffered a "crushing defeat." The court decision comes after the European Monetary Institute and the Bundesbank issued reports backing the project.

Mr. Kohl, facing a difficult re-election campaign as he seeks an unprecedented fifth term in office, attacked his Social Democratic opponent, Gerhard Schröder, for predicting that the euro would face a "sickly, premature birth." In interviews, Mr. Schröder has warned that Germany's 13 percent unemployment rate could worsen with the arrival of the euro if more jobs and investors flee

See EURO, Page 12

Misstatements and Flip-Flops / 'It's Becoming Worse and Worse'

Russia Asks: What's Boris Yeltsin Thinking?

By David Hoffman
Washington Post Service

MOSCOW — At a Kremlin ceremony this week for the president of Namibia, the Russian protocol officer dutifully intoned, "Acting Foreign Minister Yevgeni Primakov."

Then suddenly, President Boris Yeltsin corrected him, aloud. "Not acting foreign minister!" he insisted. "Foreign minister!" Mr. Yeltsin also corrected the title of his finance minister.

A few hours later, Mr. Yeltsin was himself corrected. His press secretary, Sergei Yastrzhembsky, acknowledged that Mr. Yeltsin, who on March 23 dismissed his entire cabinet, could not reappoint the foreign and finance ministers until the Parliament first confirms his choice for prime minister.

The confusing scene was only the latest demonstration of Mr. Yeltsin's puzzling public behavior, which some analysts say has become embarrassingly erratic. The Russian president's travels abroad often have been sprinkled with surprises and antics. But Mr. Yeltsin's recent appearances both here and overseas have featured a string of misstatements and flip-flops that have raised questions about not only his health, but also his thinking.

The questions have been asked more loudly since Mr. Yeltsin's sudden decision last week to dismiss the entire Russian cabinet and his prime minister, Viktor Chernomyrdin, and nominate the young energy minister, Sergei Kiriyenko, to lead the government.

Mr. Yeltsin at first announced that he himself was taking on the duties of prime minister. The Kremlin then backtracked, and Mr. Kiriyenko was appointed a few hours later. Adding to the sense of hastiness, Mr. Kiriyenko said he was called the night before and asked to come to the Kremlin the next morning at 8 A.M. When he arrived, two hours before Mr. Yeltsin announced the shake-up, Mr. Kiriyenko had no idea why he had been summoned.

"All his pronouncements are impossible to translate into any European language, including Russian," said one commentator, Andrei Piontkovsky. "It's becoming worse and worse with every public appearance of Yeltsin. I think it's evident to more and more people that he is psychologically inadequate. The problem is not the state of his health, but the state of his mind."

Alexei Pushkov, a foreign policy columnist, raised a similar question after Mr. Yeltsin predicted that President Bill Clinton's confrontation with President Saddam Hussein of Iraq might bring "world war."

"Who sets up the president?" Mr. Pushkov asked. "Who gives him all these ideas? My explanation is that Yeltsin seems to have existed, and still exists, in two worlds, real and make-believe. In the real world, he had to put up with the inevitable, to agree with Clinton, to be left out of events. In the make-believe world, he is the president of Great Russia, a direct successor to the Soviet Union."

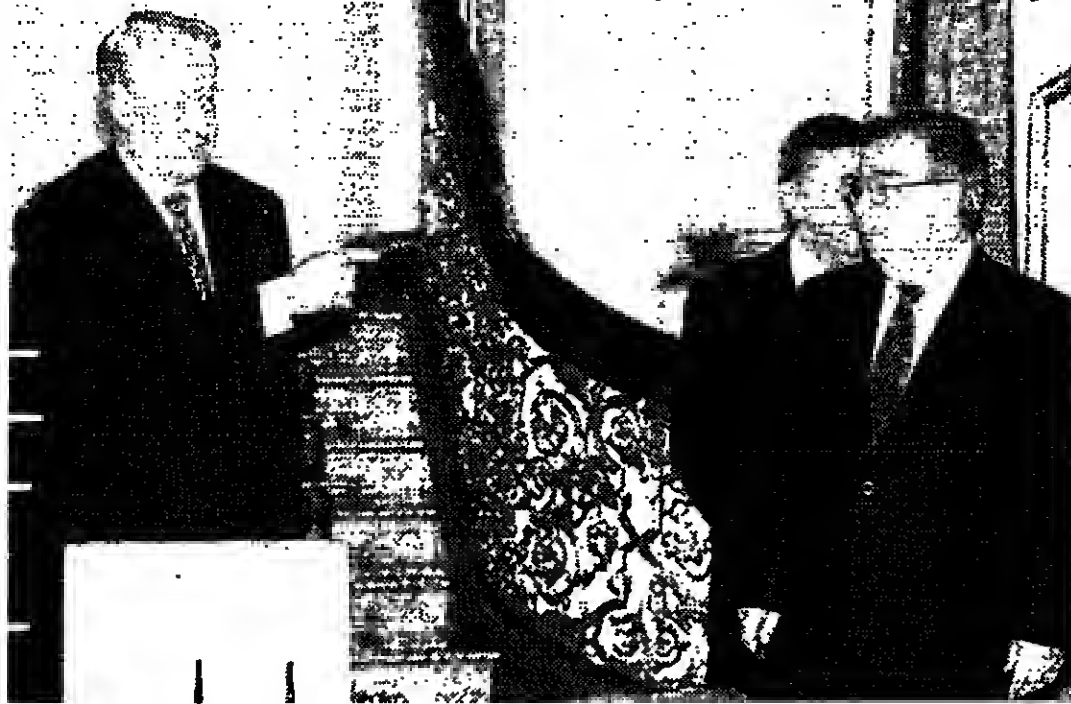
Ludmila Telen, political editor of Moscow News, said Mr. Yeltsin's erratic performance has long been accepted in Russia. The confusion over his ministers this week "is not the first or second case."

The problem started in 1995, when Mr. Yeltsin first fell ill for an extended period, she said.

"Inside Russia, nobody takes it seriously," Miss Telen said. "Average voters just don't care. The bad thing about it is that it damages the country's image abroad. People are worried about whether the situation is stable."

She added: "Everybody knows that in case of Yeltsin's illness or sustained inability, Kiriyenko will become president. And who is Kiriyenko? He has no roots in power. He has no support in elite groups, among regional elites either, nor in business. He is an alien for the Moscow bureaucracy."

Masha Volkstein, a pollster, said Mr. Yeltsin's public ratings have sunk to rock bottom. About 1.5



Mr. Yeltsin incorrectly correcting Yevgeni Primakov's title. Russians worry that incidents like this are further evidence of Mr. Yeltsin's deterioration.

percent of those who are asked say they would vote for him for president if an election were held today, she said.

"I think that people don't like this kind of instability," she said. "They feel like he is a petty tyrant." She recalled, however, that Russians changed their minds when Mr. Yeltsin looked fit and in high spirits. "Now, when he makes mistakes, they remember he is old, and he is ill," she said.

Mr. Yeltsin, 67, became ill Dec. 10 with what aides originally said was a cold. Other people have reported, and the Kremlin has denied, that Mr. Yeltsin suffered some kind of brain or heart trouble. Mr. Yeltsin, who underwent a quintuple coronary artery bypass operation in late 1996, was isolated for several weeks in December, but then returned to work. On March 10, he complained that too much attention was being paid to his health. Three days later, he was sidelined again with a respiratory infection and laryngitis.

Part of Mr. Yeltsin's method is to keep other powerful politicians and rivals off-center. But many of his recent announcements appear to be oddly spontaneous.

During a visit to Sweden in early December, he announced that Russia would unilaterally reduce its nuclear weapons by a third. Aides rushed to explain that Mr. Yeltsin did not mean unilaterally. Mr. Yeltsin threatened a cabinet shake-up last year, then backed down in February, only to fire the entire cabinet without warning in March.

Mr. Yeltsin's zigzags are mocked here. The popular television series "Kukly," a biting puppet satire, broadcast a segment recently depicting Mr. Yeltsin as a wobbly, wandering King Lear onstage who can't remember his lines and drives the prompter to despair. At one point, the Yeltsin puppet asks, "Does this mean I'm not going to be elected to a third term?"

When the prompter says, "Yes," the Yeltsin figure muses, "Something is wrong with this play. Who's the author?"

President Agrees to Discuss New Cabinet

Washington Post Service

MOSCOW — President Boris Yeltsin yielded to parliamentary leaders Thursday and agreed to postpone a vote on his choice for prime minister, Sergei Kiriyenko, until after a roundtable next week with political leaders, including Communists who said they will vote against the nominee.

Mr. Yeltsin had demanded a quick confirmation vote, but he backtracked to avoid a confrontation with Parliament, aides and analysts said. At a meeting Thursday at a guest lodge outside Moscow with legislative leaders, Mr. Yeltsin offered to listen to their suggestions for new cabinet members.

Critics in Parliament have said Mr. Kiriyenko, 35, is too inexperienced to be second-in-command to a president who has had health problems. If Mr. Yeltsin dies or is incapacitated, Mr. Kiriyenko would temporarily become president of Russia.

Although nothing that occurs at roundtables is binding on Mr. Yeltsin, he has generally shunned such meetings, which give his critics a prominent stage for their views.

The roundtable on the cabinet is scheduled for Tuesday; on Wednesday, Parliament is to vote on Mr. Kiriyenko.

If the lower house, the State Duma, rejects the nominee three times, Mr. Yeltsin can dissolve Parliament and call new elections.

Voting on the prime minister is one of the few prerogatives of the Parliament under the Russian Constitution, which put most powers in the president's hands, and Duma leaders have been playing hard to get since the announcement of Mr. Kiriyenko's nomination.

Gennadi Zyuganov, leader of the Communists, said Thursday his party would vote against Mr. Kiriyenko three times if necessary, but he also said "we are ready for dialogue" at the Tuesday meeting. The Communists are the largest faction in the lower chamber. Another significant bloc, Yabloko, announced it would abstain. A third group, the ultranationalist Liberal Democratic Party led by Vladimir Zhirinovskiy, has said that it will back Mr. Kiriyenko.

Tobacco Bill Easily Gets Senate Panel's Approval

But Obstacles to Higher Prices Lie Ahead

By David E. Rosenbaum
New York Times Service

WASHINGTON — A key Senate committee has given a strong bipartisan vote of approval to legislation that would raise the price of cigarettes in the United States and stiffen controls on tobacco. No other measure before Congress this year would lead to such fundamental changes in American society.

If the sponsors of the legislation are right, it could reduce the number of teenagers who smoke by as much as 40 percent and prevent millions of early deaths from smoking-related illness.

The bill would force up the price of a pack of cigarettes by \$1.10 over the next five years, impose penalties on the cigarette companies if the number of teenage smokers did not fall to specified levels and limit the civil liability of the companies to \$6.5 billion a year. It also would require the makers to accept strict limits on their advertising and marketing practices to retain the liability ceiling.

Money would be set aside to buy out tobacco farmers who wanted to get out of the business and to help communities that would suffer economically if fewer people smoked.

The vote Wednesday in the Senate Commerce Committee was 19 to 1. The only "no" vote came from Senator John Ashcroft, Republican of Missouri, who argued that other industries were entitled to the same annual limit on legal liability claims that the bill would give tobacco companies.

But the ease with which the bill cleared the committee without substantive change belied the extent of the opposition and the many obstacles that lie ahead.

Senator John McCain, Republican of Arizona, the committee chairman, said he hoped the bill would be before the full Senate before the end of May. He said that before the Senate could take up the bill, negotiations would be needed with other committee chairmen asserting jurisdiction, with the party leaders in the Senate and with the White House.

The House has been treading water on the tobacco issue, waiting to see what happens in the Senate. White House officials have said that the Senate bill is "basically satisfactory, but not perfect."

Former Surgeon General Everett Koop and other public health authorities oppose the measure because they think it is too generous to the tobacco industry. Spokesmen for the industry, on the other hand, say the measure is completely unacceptable because it would force companies into bankruptcy and lead to a contraband market in cigarettes.

"This is not a perfect document," Mr. McCain said. He implored his colleagues to vote for his bill just to push the legislative process along. When disputes arose Wednesday, like whether to lift a ceiling on the tobacco industry's annual legal liability or to place a limit on attorneys' fees, the senators accepted Mr. McCain's plea to leave his bill alone and plan to settle the matter on the Senate floor.

Proposals to raise and lower the amount by which cigarette prices would be driven up were handily rejected. The price increase would be obtained by placing a steadily rising fee on the cigarette

makers for each pack they produced. The committee did not deal with the critical political question of how to spend the more than \$500 billion the bill would raise from the cigarette companies over the next 25 years. And measures to limit smoking abroad were set aside to be debated later. The proposals would ban federal money from being used to promote tobacco exports, and a nonprofit corporation would be established to oversee international tobacco control programs.

Clinton Visits Slave Depot In Senegal

The Associated Press

GOREE ISLAND, Senegal — President Bill Clinton closed out his 12-day tour of sub-Saharan Africa on Thursday by paying homage to those who endured a sorry chapter in human history — the passage to slavery on a new continent.

Ultimately the descendants of some of those slaves became American citizens, and "the long journey of African Americans proves that the spirit can never be enslaved," Mr. Clinton said in a speech on this island just off the coast of Senegal, where countless Africans were shipped into enslavement.

With a large number of prominent African Americans in his audience, Mr. Clinton pointed out that the descendants of some of those slaves became leaders of American society.

Mr. Clinton spoke with the Atlantic Ocean at his back, fresh from a tour of a former slave house on Goree Island, where he walked down the passage from which countless Africans were forced into ships for the voyage to the Americas.

"Those who survived the murderous Middle Passage emerged from a dark hole to find themselves, yes, Americans," he said. "But it would be a long, long time before their descendants enjoyed the full meaning of that word."

Introducing Mr. Clinton, President Abdou Diouf of Senegal said all of Africa had benefited from American help.

"Your confidence in us helps unleash the dormant energy in Africa that must be awakened," Mr. Diouf said.

Mr. Clinton said in his speech: "Long after the slave ships stopped sailing to America, Goree Island still today looks out onto the new world connecting two continents, standing as a vivid reminder that for some of America's ancestors the journey to America was anything but a search for freedom and yet still a symbol of the bright new era of partnership between our peoples."

TRAVEL UPDATE

Sandstorm Hits Cairo

CAIRO (AFP) — Air traffic at the Cairo airport was suspended for four hours Thursday because of a sandstorm.

With visibility only 100 meters and winds up to 35 knots, seven planes bound for Cairo were rerouted to airports at Luxor and Aswan in Upper Egypt, and to Hurgada on the Red Sea, airport officials said.

Greek Flights Halted

ATHENS (AP) — Hundreds of passengers were stranded Thursday after Olympic Airways canceled more than a dozen flights because of a work stoppage. At least 15 domestic and international flights were grounded by the three-hour strike, and 38 flights were delayed. Further disruptions were expected during another stoppage by Olympic workers Thursday evening. The GSEE trade union called a three-hour sympathy strike against public utilities.

'97 Air Traffic Up 5%

GENEVA (AFP) — The number of passengers carried on airlines around the world increased by 5 percent last year to 2.705 billion, the International Council of Airports said Thursday.

Africa grew the most (10 percent), followed by Latin America and the Caribbean (8.2 percent). The airport with the highest passenger count was Chicago's O'Hare, at 70.3 million, followed by Atlanta, Dallas-Fort Worth, Los Angeles and London.

Albright Softens Warning On American Travel to Iran

WASHINGTON — In another sign of a step-by-step thaw in U.S.-Iranian relations, Secretary of State Madeleine Albright has softened the U.S. warning against Americans traveling to the Islamic republic, a senior American official said.

The new directive urges Americans to defer travel to Iran rather than warning them against travel to the country, the official said.

He called the wording change "significant" because it underscores a new U.S. assessment that only some segments of Iran's government and population — not all — are hostile to the United States.

The secretary approved a new travel advisory with regard to Iran that reduces the standard "from a warning against all citizens traveling to Iran" to a recommendation "that citizens defer travel," the official said.

The decision is certain to be read in Tehran as another warming gesture by the United States in a carefully evolving diplomatic maneuver between the two countries, which have been bitter enemies without formal diplomatic relations since after the Islamic revolution in 1979.

The official said that although Mrs. Albright's decision might have this effect, it had not been made as a political gesture but reflected more precisely changing Iranian attitudes toward the United States and Americans.

"This decision is based on an objective judgment, but it is significant, that rather than a government-wide hostility against the United States, now where we see hostility is in some segments of the Iranian government and some segments of the Iranian population," the official said.

The wording change may seem subtle but it helps to underscore the Clinton administration's new approach of encouraging interaction between American and Iranians.

Mrs. Albright stressed how "very pleased" she was at how American wrestlers were received recently when they went to Iran for a competition, the first such event since Islamic radicals after the revolution held 52 Americans hostage for 444 days.

The wrestlers were cheered by the Iranian crowd and enthusiastically welcomed during their stay.

"I think we need to keep looking very carefully at the signals and signs that are developing and hope to be following up in terms of some of the people-to-people issues," she said.

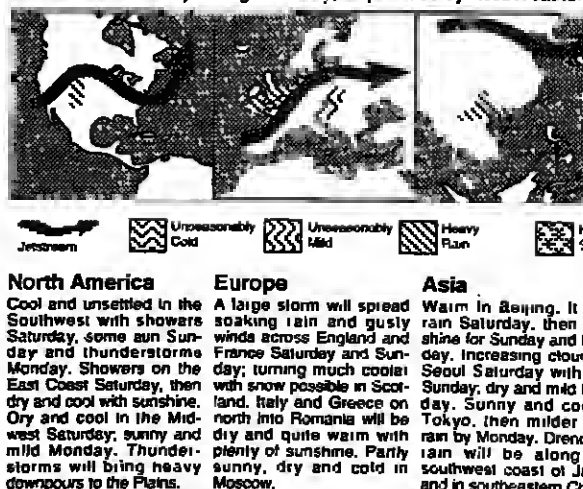
The United States and Iran castigated each other for years until President Mohammed Khatami, who is viewed as more moderate than his predecessors, was elected nearly a year ago.

But Washington still accuses Tehran of seeking weapons of mass destruction, threatening its neighbors, sponsoring terrorism and undermining the Middle East peace process.

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Europe	Today		Tomorrow	
	High	Low	High	Low
Algeria	21/10	12/5	19/9	10/4
Amsterdam	15/8	8/3	19/9	10/4
Antwerp	14/7	7/2	18/8	9/3
Birmingham	14/7	7/2	18/8	9/3
Bombay	29/15	16/9	27/10	13/6
Boston	27/15	12/6	24/7	13/6
Brussels	14/7	7/2	18/8	9/3
Calcutta	29/15	16/9	27/10	13/6
Chennai	29/15	16/9	27/10	13/6
Copenhagen	14/7	7/2	18/8	9/3
Delhi	29/15	16/9	27/10	13/6
Dubai	29/15	16/9	27/10	13/6
Edinburgh	14/7	7/2	18/8	9/3
Frankfurt	14/7	7/2	18/8	9/3
Geneva	14/7	7/2	18/8	9/3
Helsinki	14/7	7/2	18/8	9/3
London	14/7	7/2	18/8	9/3
Los Angeles	27/15	12/6	24/7	13/6
Madrid	27/15	12/6	24/7	13/6
Moscow	27/15	12/6	24/7	13/6
Mumbai	29/15	16/9	27/10	13/6
New York	27/15	12/6	24/7	13/6
Paris	14/7	7/2	18/8	9/3
Rangoon	29/15	16/9	27/10	13/6
San Francisco	27/15	12/6	24/7	13/6
Seoul	27/15	12/6	24/7	13/6
Shanghai	27/15	12/6	24/7	13/6
Singapore	29/15	16/9	27/10	13/6
Taipei	27/15	12/6	24/7	13/6
Tokyo	27/15	12/6	24/7	13/6
Yokohama	27/15	12/6	24/7	13/6



Legend: sun, partly cloudy, c, cloudy, sh, showers, th, thunderstorms, i, rain, s, snow, h, hail, w, wind. Maps, forecasts and data provided by AccuWeather, Inc. ©1998 - http://www.accuweather.com

One of the few predictable elements of travel.

The Leading Hotels of the World

Over 300 of the World's finest hotels in 68 countries.

Your Host Today

HOTEL MAJESTIC
CANNES, FRANCE

A two-month trial subscription. Save up to 60%

COUNTRY/CURRENCY	3 MONTHS PRICE	2 MONTHS PRICE	DISCOUNT OFF COVER PRICE
AUSTRIA	1,450	650	55%
BELGIUM/LUXEM.	1,450	650	55%
DENMARK	1,450	650	55%
FINLAND	1,450	650	55%
FRANCE	1,450	650	55%
GERMANY	1,450	650	55%
HONG KONG	1,450	650	55%
ITALY	1,450	650	55%
JAPAN	1,450	650	55%
KOREA	1,450	650	55%
NETHERLANDS	1,450	650	55%
NORWAY	1,450	650	55%

Yes, I would like to start receiving the International Herald Tribune.
☐ My check is enclosed (payable to the IHT).
 Change my: ☐ Amex ☐ Diners ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard
 For ex-US and Asian prices, credit cards will be charged in French Francs at current rates.
 Card No. _____ Exp. Date _____
 Signature _____
 For business orders, indicate your VAT No. (IHT VAT Number FR2473202126)
 Mr/Mrs/Ms Family Name _____

Country: _____
 Home Tel No. _____ Business Tel No. _____
 E-Mail Address: _____
☐ I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other
☐ I do not wish to receive information from other carefully screened companies.
 Mail or fax to: International Herald Tribune
 EUROPE, MIDDLE EAST & AFRICA
 181 Ave. Charles de Gaulle, 92521 Neuilly-sur-Seine, France
 Fax: +33 1 41 43 92 10 Tel: +33 1 41 43 92 61
 THE AMERICAS
 350 Third Avenue, New York, N.Y. 10022-6275, USA
 Fax: +1 212 755 8785 Tel: (toll free) 1-800-887-7884

A VICTORY FOR CLINTON / But the Special Prosecutor Says His Investigation Will Continue

Undeterred, Starr Calls Chief of Staff

President's Problems Not Over Yet, as Bowles Goes Before Grand Jury

Compiled by Our Staff From Dispatches

WASHINGTON — In a sharp reminder to President Bill Clinton that his legal problems are not over, the president's chief of staff on Thursday was called before the Whitewater grand jury and the independent counsel said his investigation would not be affected by the dismissal of the Paula Jones sexual harassment suit.

"It doesn't matter who wins and who loses in the civil case," Kenneth Starr said as he left his suburban Virginia home Thursday morning. "Our job is to determine were crimes committed."

As evidence that Mr. Starr was not letting up on Mr. Clinton, the White House chief of staff, Erskine Bowles — Mr. Clinton's highest-ranking adviser — went before Mr. Starr's grand jury Thursday morning.

"We're moving very quickly," Mr. Starr asserted. "We do recognize there is very keen and powerful interest in bringing all these matters to resolution as quickly as possible. We're very sympathetic to that."

Holding court for reporters for at least 20 minutes outside his McLean, Virginia, home, Mr. Starr shot down speculation that he had no criminal case against Mr. Clinton now that a federal judge has thrown out the Mrs. Jones lawsuit.

Mr. Starr is investigating whether Mr. Clinton lied in a deposition in that civil case, or asked other witnesses to lie.

"We must all play by the rules," Mr. Starr said. "If you don't play by those rules — if you lie under oath, if you intimidate a witness, if you seek otherwise to obstruct the process of justice — it doesn't matter who wins and who loses in the civil case."

He added: "For the sake of the nation, we hope for the best. But our job is to determine were crimes committed."

But White House officials nonetheless hoped that the Jones decision would increase pressure on Mr. Starr to conclude his investigation.

A senior White House adviser, Rahm Emanuel, said: "There is going to be some questions by the American people why you would have an ongoing investigation of a matter when the judge has decided that this case has been dismissed."

Mr. Starr's commentary from the driveway of his home was broadcast live in its entirety on some television news programs.

Mr. Emanuel said, "That strange press conference revealed that, after four years and \$40 million, this investigation is only about a partisan pursuit of the president."

Mr. Starr said that his is "not a political job" and said that in a criminal case, "there's no room for white lies, there's no room for shading, there's only room for telling the truth about what happened." And, in an obvious criticism of Mr. Clinton's decision to invoke executive privilege, the prosecutor added, "It would be very helpful if all witnesses that were summoned before the grand jury would simply answer the questions."

Mr. Starr also referred to the old television series "Dragnet," saying that he had always been a big believer in the "show that Jack Webb was in, 'Just the facts, ma'am.'"

His comment drew a sarcastic rejoinder from Mr. Emanuel, who said, "Ken Starr is not Joe Friday," the police detective played by Mr. Webb.

Any one of Mr. Starr's areas of investigation could land Mr. Clinton in trouble, possibly in the House of Representatives, where Republicans have discussed how to handle an impeachment inquiry.

Mr. Starr's investigation ranges from whether Mr. Clinton had an affair with a White House intern and tried to cover it up, to his failed Whitewater land dealings in Arkansas when he was governor.

On Capitol Hill, many lawmakers said the dismissal of the Jones suit by Judge Susan Webber Wright of U.S. District Court in Little Rock, Arkansas, would have no impact on Mr. Starr's work.

"This won't affect his case," said the Senate majority leader, Trent Lott of Mississippi. "I think there has been pressure on him to get to a conclusion, but it's pretty hard for him to get to a conclusion when the White House won't submit facts or tell the truth."

(AP Reuters)

Reno Aims to 'Pursue' Witness

Attorney General Janet Reno asserted Thursday that allegations that a key witness in the Whitewater affair received financial assistance from a conservative group while he was cooperating with Mr. Starr "should be pursued." The Associated Press reported.

"I think it must be pursued and I want to make a determination as to how it should be pursued," Ms. Reno said at a weekly news conference.

A U.S. attorney in Arkansas, who was appointed by Mr. Clinton, has interviewed a person who says she knows the witness, David Hale, received that money from people being paid by a conservative group that publishes the American Spectator magazine.

FBI agents dispatched by P.K. Holmes, U.S. attorney for the state's western district, have interviewed Caryn Mann, a funeral home assistant manager in Bentonville, Arkansas. Ms. Mann contends that Mr. Hale gave information about the investigation to her former boyfriend and that the boyfriend gave money to Mr. Hale while Mr. Hale was a cooperating witness for Mr. Starr.



Robert Bennett, President Clinton's attorney, meeting reporters in Washington after the ruling in Arkansas.

POLITICAL NOTES

Starr Widens Search On Lewinsky's Books

WASHINGTON — Kenneth Starr, the independent counsel investigating President Bill Clinton's relationship with Monica Lewinsky, has broadened his search into her book buying by subpoenaing Barnes & Noble, the nation's largest bookstore chain, for information about the former White House intern's purchases.

Barnes & Noble vowed to fight the subpoena, and on Wednesday a Washington bookstore, Kramersbooks & Affiliates, filed a motion to quash a similar subpoena after initially agreeing last week to limited cooperation.

"We think it's an invasion of privacy," said Leonard Riggio, chief executive of Barnes & Noble, who said lawyers for the firm were preparing objections to be filed in federal court.

"What a customer buys from us is privileged information. That's a violation of their First Amendment rights."

The Barnes & Noble subpoena, dated March 25, does not identify any book titles by name, but seeks at least 12 records of purchases Ms. Lewinsky made by credit card and check at a branch of the chain in the Washington neighborhood of Georgetown since Nov. 1, 1995, according to a person with knowledge of the subpoena.

That period dates to the time when Ms. Lewinsky supposedly confided to a friend, Linda Tripp, that she had begun a sexual relationship with the president. Kramersbooks' subpoena involved fewer than six transactions during the same period. (NYT)

Poll Makes It Clear: End All the Probes

WASHINGTON — More Americans than ever think all probes into

President Clinton's alleged sexual indiscretions should now end after Judge Susan Webber Wright of U.S. District Court threw out the Paula Jones sexual harassment case, according to a poll released Thursday.

The poll, conducted Wednesday night hours after the judge's decision was announced, showed that a wide majority of Americans thought the ruling was correct and "good for the country."

Sixty-seven percent of those polled said the investigations into Mr. Clinton's alleged sexual advances should now stop, up from 61 percent on March 20-22, the CNN-USA Today-Gallup poll said. Thirty-one percent said they should continue.

Sixty-three percent of those polled said the judge's ruling was "good for the country" while 24 percent said it was not. By a similar margin, most said the ruling was right: 63 percent, versus 25 percent who said it was wrong.

Mr. Clinton's popularity was virtually unchanged, with his approval rating at 67 percent, versus 66 percent on March 20-22, the poll showed. (Reuters)

Media Jolt Awakens Punditry Machine

WASHINGTON — An hour after the judge threw out the Paula Jones lawsuit, the talking heads were talking about how the Supreme Court would rule on a possible appeal. And how Wednesday's decision would affect President Clinton's popularity. And Kenneth Starr's investigation. And Republican prospects in the 1998 elections.

The punditry crowd, with fresh meat to gnaw on, was chewing the fat at record speed.

On one level, the television networks performed impressively from

the moment the news broke. Key participants in the case were tracked down by phone and put on the air, radio-style. The only visual was a still photo of Mrs. Jones. Dan Rather, Tom Brokaw and Peter Jennings broke into regular programming five to six minutes after CNN. Coverage bounced seamlessly from Washington to Arkansas to Senegal, where the president was wrapping up his tour of Africa.

But television also opened the floodgates to a tidal wave of speculation by lawyers, journalists, academics and all-purpose experts who had not had time to read the judge's 39-page ruling. "Are some people getting ahead of themselves here?" asked an MSNBC anchor, John Gibson, even as he kept asking getting-ahead-of-himself questions.

All this sound-bite warfare afforded viewers a rare chance to watch the journalistic sausage-making as it happened, before anyone had had a chance to digest this large and dramatic chunk of legalese. (WP)

Quote/Unquote

Rahm Emanuel, a senior White House adviser, turning his attention to the independent counsel, Kenneth Starr, after the dismissal of the Paula Jones lawsuit: "There are going to be some questions by the American people why you would have an ongoing investigation of a matter when the judge has decided that this case has been dismissed." (AP)

John Pruitt, a Chicago shoe salesman, on the dismissal of the lawsuit against President Clinton: "Does this mean that I never, ever, have to hear Paula Jones's name again? Does this mean that it's finally safe to turn on the TV again without hearing about what Paula Jones ate for lunch today? Yesss." (WP)

Case's Dismissal Catches The Experts by Surprise

Sexual Harassment Lawyers Thought 'Close-Call' Issues Would Force a Trial

By Ruth Marcus

Washington Post Service

WASHINGTON — Almost no one saw it coming.

Among lawyers who specialize in sexual harassment cases, the conventional legal wisdom about Jones v. Clinton was that it was a weak case, but one that would most likely survive the president's effort to have it dismissed.

Numerous legal experts predicted that Judge Susan Webber Wright of U.S. District Court would let the lawsuit go to trial, either because any case that could be viewed as a close call gets to the jury, or because of outside pressures confronting the judge in such a high-profile case.

On Wednesday, Judge Wright took the step of dismissing the suit outright. In an unwavering 39-page ruling, she betrayed some exasperation with Paula Jones and her lawyers, and made it clear that despite the comments of the legal experts she did not see the case as a close call at all.

Rather, she said, the incident as Mrs. Jones claims it happened, while "boorish and offensive," simply did not constitute sexual harassment punishable by law.

"Whether other women may have been subjected to workplace harassment, and whether such evidence has allegedly been suppressed, does not change the fact that plaintiff has failed to demonstrate that she has a case worthy of submitting to the jury," Judge Wright said, referring to evidence introduced about Bill Clinton's alleged involvement with other women.

Judge Wright did not address whether she thought Mr. Clinton, as Mrs. Jones alleges, made a lewd advance toward her in a Little Rock, Arkansas, hotel room in 1991, when he was governor and she was a state employee. What she ruled on was whether such an act was illegal.

Courts have recognized two types of situations that can constitute sexual harassment: quid pro quo harassment, in which an employee argues that he or she was punished for failing to comply with a supervisor's sexual advances, and "hostile workplace environment" claims, covering the far murkier cases in which the harassment was alleged to be "so severe or pervasive that it created an abusive working environment."

Mrs. Jones had asserted both forms of sexual harassment, and also accused Mr. Clinton of both conspiring with a former Arkansas state trooper, Danny Ferguson, to violate her civil rights and harming her by inflicting intentional emotional distress.

Judge Wright quickly disposed of what the experts had identified as the weakest of Mrs. Jones's claims, the quid pro quo harassment. She said Mrs. Jones's lawyers were wrong in contending that their client did not have to supply any proof that she was harmed for failing to comply with Mr. Clinton's alleged advance.

And she said the evidence of harm that her lawyers did put forward — that Mrs. Jones was discouraged from applying for more attractive state jobs, had her desk moved, her responsibilities changed and failed to receive flowers on Secretary's Day — fell far short of making a convincing case. Indeed, Judge Wright noted, after the alleged incident in 1991, Mrs. Jones received two satisfactory job evaluations, a cost-of-living increase and a merit raise.

Assured that it was not, the president thanked Mr. Bennett for his fine work," Mr. McCurry said.

"The president is pleased," Mr. Clinton's wife, Hillary, said in a radio interview. "I think the judge ruled correctly based on the facts and the law."

Despite his legal problems, the president has continued to enjoy high public approval ratings, unlike Mr. Starr, who is deeply unpopular. Overnight polls sponsored by CNN and other news agencies showed approval of Judge Wright's decision by margins of 2 to 1.

Even some Republicans expressed relief at the diminished tension.

"If the judge is correct," said Orrin

"Although it is not clear why plaintiff failed to receive flowers on Secretary's Day in 1992, such an omission does not give rise to a federal cause of action," Judge Wright said.

The bigger surprise came in her analysis of whether there was a legitimate claim based on a claim that the alleged incident created a "hostile work environment." Courts have allowed lawsuits to go forward based on a single incident, as Mrs. Jones's case essentially was, if the conduct alleged is particularly egregious.

A number of legal experts said they thought Mrs. Jones's allegations did not create a strong hostile environment case but were close enough that jurors should be allowed to decide for themselves.

"What she alleges Clinton did is so crude and offensive that she is likely to get to a jury," Jean Boler, a plaintiff's lawyer in Minneapolis, said when asked to assess the case before the ruling.

But Judge Wright did not see it that way, saying that this was "not one of those exceptional cases in which a single incident of sexual harassment, such as an assault, was deemed sufficient to state a claim of hostile work environment sexual harassment."

The judge said that the alleged incident, and a few other purported encounters Mrs. Jones had with Mr. Clinton and Mr. Ferguson, "do not constitute the kind of sustained and nontrivial conduct necessary for a claim of hostile work environment."

Once the sexual harassment charge was out of the case, the alleged conspiracy count had to be dismissed as well. That left Judge Wright with Mrs. Jones's stated claim that the alleged incident amounted to intentional infliction of emotional distress. But, as with the hostile environment claim, Judge Wright wasted little time in tossing this argument out, too.

She pointed out that Mrs. Jones had initially claimed she suffered marital discord as a result of Mr. Clinton's alleged conduct, then said in her deposition that she was not asserting such damages. And Judge Wright said she did not give any credence to a last-minute declaration "from a purported expert" who, after a three-and-a-half-hour meeting with Mrs. Jones nearly seven years after the alleged incident, found her suffering from "severe emotional distress and consequent sexual aversion."

"Plaintiff's actions and statements in this case do not portray someone who experienced emotional distress so severe in nature that no reasonable person could be expected to endure it," she said.

While the betting on whether Judge Wright would dismiss the case had been to the contrary, there had been some earlier glimmers of the judge's unhappiness with the case. Three years ago, she granted Mr. Clinton's request to delay any trial in the case until after he left office, a ruling ultimately reversed by the Supreme Court.

And in a ruling last year on Mr. Clinton's earlier motion to dismiss the case, Judge Wright threw out some claims and made clear she had qualms about just how strong the counts were that she did not throw out. She said she would allow Mrs. Jones to proceed with pretrial discovery to see if they could be supported.

CLINTON: Relief in President's Camp as Paula Jones's Lawsuit Is Dismissed by Judge

Continued from Page 1

that "now I can get back to work" on the domestic issues that await him when he returns to Washington.

Mrs. Jones's lawyers and advisers said an appeal of Judge Wright's ruling was all but certain.

"We were prepared that perhaps she might dismiss part of the case, but not this," said John Whitehead, the president of the Rutherford Institute, which has been paying Mrs. Jones's legal costs. There is a "99 percent" probability of an appeal, he said.

Even if the U.S. Court of Appeals for the 8th Circuit overturns Judge Wright's decision, however, Mr. Clinton has at a minimum gained months of respite from the prospect of a highly publicized trial in which Mrs. Jones and probably other women would have testified that Mr. Clinton abused them sexually. The trial was scheduled to begin May 27.

But Judge Wright ruled that there was no need for a trial. Even if Mr. Clinton, then governor of Arkansas, exposed himself to Mrs. Jones and asked for oral sex, as Mrs. Jones alleged, his conduct did not meet the legal definition of sexual assault, and the promotions and pay raises later granted to Mrs. Jones disproved her claim of career damage resulting from the incident, Judge Wright ruled.

The conduct as alleged by the plaintiff describes a mere sexual proposition or encounter, albeit an odious one, that was relatively brief in duration, did not involve any coercion or threats of reprisal and was abandoned as soon as plaintiff made clear that the advance was not welcome," Judge Wright found.

Mr. Clinton's approach to Mrs. Jones may have been "boorish and offensive," the judge said in her 39-page ruling, but she found "nothing in plaintiff's employment records, her only testimony, or the testimony of supervisors showing that plaintiff's reaction to Governor Clinton's alleged advances affected tangible aspects of her compensation, terms, conditions or privileges of employment."

Mrs. Jones, who at the time was a low-level employee of the Arkansas Industrial Development Commission, a state agency, received merit raises and favorable job evaluations after the incident, invalidating her claim of retaliation, the judge said.

ation, and left the job voluntarily to move to California with her husband and their baby, the judge found. The judge brushed off Mrs. Jones's claim that she developed an aversion to sex as a result of Mr. Clinton's alleged approach.

Judge Wright's ruling abruptly terminated a lawsuit that began as an obscure complaint by an unknown person and metastasized into a political fact of life in Washington that inflicted heavy damage on the president despite the outcome.

It was Mrs. Jones's lawyers, seeking to establish a pattern of sexual misconduct by Mr. Clinton, who unearthed Monica Lewinsky, Kathleen Willey and other women who gave depositions in the case and also forced Mr. Clinton to testify in a deposition about his relationships with them. Those depositions were now the focus of Mr. Starr's inquiry into whether Mr. Clinton, his close friend Vernon Jordan or White House officials testified falsely.

Legal experts said Judge Wright's ruling would increase pressure on Mr. Starr to wrap up his long-running investigation, which supporters of the president have said is politically motivated.

he has taken about his personal life. His job approval ratings rose in the face of the allegations about Mrs. Lewinsky, but his personal reputation has suffered.

Mr. Clinton's past personal life has always been one of his biggest political liabilities, and if the American people have expressed its impatience with the continuing story, it also seemed to have come to a judgment about the president. They did not believe his version of events, from Ms. Flowers to Ms. Lewinsky, even if they did not think the issue was all that important. For a president concerned about his legacy, that judgment about his personal behavior may be devastating, for it now threatens to cloud his entire presidency.

A Republican pollster, Robert Teeter, said Wednesday that Mr. Clinton's authority as president has suffered from this collective judgment, and he doubted whether Mr. Clinton could do anything to restore it, no matter what happens in the Starr investigation.

"It's kind of left him a joke," Mr.

Teeter said. "It's made him less relevant. It's diminished his moral authority."

But others, too, have suffered as a result of what Mrs. Jones touched off, starting with Mr. Clinton's political opponents.

Mrs. Jones first told her story at a conservative political event in Washington in 1994, and they have used her as a means of attacking the president ever since. The fact that Judge Wright dismissed Mrs. Jones's charges without a trial may only reinforce the belief of many that Mr. Clinton's opponents will seek to use anything to try to bring him down.

The Supreme Court miscalculated badly last year when it ruled unanimously that the Jones case could go forward while Mr. Clinton was in office, concluding that the trial would be only a minimal distraction from his presidency. The political and legal circus of the past few months demonstrated how wrong they were and how much the Jones case could disrupt the public's business.

The Jones lawsuit also raises disturbing questions for the media, which in the

past two months have seen their standards weakened in pursuit of salacious and unproven allegations that in the past would have demanded far greater proof before publication. Mrs. Jones's lawyers are partly to blame, for putting so much material into the public domain, but the media, too, have shown almost no resistance to running with a story no matter how sensational the charges or questionable the sources.

An analyst said Wednesday that Judge Wright's decision in the Jones case may help to refocus Mr. Starr's investigation, the public and the media on the serious issues remaining, apart from the sensationalism of the past few months. That may be wishful thinking, given the kind of political warfare that has been waged between Mr. Starr and the White House and the fact that the stakes are still high.

In a series of ways, the political system has been harmed by the Jones lawsuit, and Judge Wright's ruling — for all it may mean for Mr. Clinton and Mr. Starr — will not by itself do much to cure that.



Judge Wright had given no indication she would dismiss the case.

Hatch of Utah, the chairman of the Senate Judiciary Committee, "then I'm happy for the president. It will have ended what would otherwise have been a very unpleasant situation for him."

EUROPE

Papon Verdict Reflects France's Tumult Over Its Wartime Role

By Charles Trueheart
Washington Post Service

BORDEAUX — The jury that convicted Maurice Papon on Thursday morning of crimes against humanity delivered a verdict and a 10-year prison sentence that reflected the muddled nature of the six-month trial and the conflicting feelings of the French people about their country's awkward wartime role.

The three French judges and nine civilian jurors who formed the jury and conferred all night reached what was in fact a mixed conclusion about Mr. Papon's behavior as a senior public servant in Bordeaux during World War II.

Ignoring Mr. Papon's emotional plea at the end of the trial — "I am either guilty or innocent. It's all or nothing," he declared — the jury rendered a guilty verdict but followed it with a light sentence.

In what turned out to be 19 hours of

deliberations, the jury had to give "yes" or "no" answers to a list of 768 "questions," similar to criminal counts, about what Mr. Papon ordered and what he knew from 1942 to 1944.

Mr. Papon's accusers argued, and the jurors apparently believed, that as a young, ambitious Vichy official in Bordeaux, he routinely and knowingly signed off on roundups of Jewish men, women and children who were carried on train convoys to the crematoria at the Auschwitz death camp in Poland.

At least eight of the 12 jurors found him guilty on several hundred counts of knowing complicity in the arrest and imprisonment of 72 Bordeaux-area Jews, whose individual cases against Papon were brought by surviving relatives.

But a majority of the jurors were not convinced that Mr. Papon was guilty of any of the victims' subsequent murders in the Nazi gas chambers where they

ended their train journeys from Bordeaux. The defense apparently argued persuasively that Mr. Papon was unaware of the fate intended for the passengers on the convoys organized by French administrators — that Mr. Papon believed, as did the deportees themselves, that they were bound for the hardship of labor camps.

Mr. Papon may have escaped a murder conviction, but under French law he is still guilty of crimes against humanity — for complicity in the roundups.

The 10-year prison sentence the jury imposed was half the 20 years requested by the prosecution. Some of the civil plaintiffs to the case agreed that it was an appropriate penalty, given the determination of limited guilt and Mr. Papon's age and chronic heart ailments.

Other observers, including the Nazi hunter Simon Wiesenthal, continued to insist that for such crimes nothing less

than a life sentence was commensurate. In any case, judicial appeals that Mr. Papon's lawyers immediately vowed to pursue make it unlikely that he will serve a day of his sentence.

The trial took on special resonance because Mr. Papon will probably be the last French person to stand trial for a role in the nation's darkest modern hour — a devastating military defeat and surrender to Germany, and four years of humiliating quasi-occupation. The period of submission took the name of Vichy, the mountain spa city where a compliant French political class established a servile administration under German supervision.

One of Mr. Papon's wartime responsibilities, as the second-ranking French official in Bordeaux, was the local office of "Jewish Questions" in which French officials enforced a system of repression designed by the Nazis.

Mr. Papon's chief lawyer insisted that those matters had nothing to do with Nazi death camps. "Apartheid, yes," Jean-Marc Varaut declared in his closing comments. "Extermination, no."

The jury apparently agreed with this distinction. Mr. Papon's conviction, more than three months after it was expected, also landed at a sensitive spot in France's charged political and ideological life.

The far-right National Front scored sensational tactical triumphs after regional elections March 15 and gave itself a new lease on life. Its xenophobic repertoire includes an overt anti-Semitism, notably in the party leader Jean-Marie Le Pen's recently repeated belief that the gas chambers of the Holocaust would be remembered as a "detail of history."

Many in French public life feared that an acquittal of Mr. Papon would constitute an embarrassing echo of that robust minority of French opinion.

Historian and Publisher Fined

A Paris court Thursday leveled heavy fines on a historian and his publisher for suggesting that two acclaimed heroes of the Resistance in World War II secretly helped the Nazis, Reuters reported.

The court found that Gerard Chauvy, the historian, and Francis Esmeu, of the Albin Michel publishing house, "committed a clearly defined act of libel" in the book "Aubrac, Lyon 1943" published last year.

The book concerns the actions of Lucie and Raymond Aubrac, leading Resistance figures from an early stage of the 1940-1944 German occupation of France. The couple are now aged 83 and 85.

Mr. Chauvy was ordered to pay a 60,000 franc (\$10,000) fine while Mr. Esmeu received a 100,000 franc fine. They were also ordered to pay 200,000 francs in damages to the Aubracs.

Court Convicts Le Pen of Assault and Lifts His Rights

Compiled by Our Staff From Dispatches

PARIS — The far-right leader Jean-Marie Le Pen was convicted Thursday of assaulting a Socialist woman politician and stripped of his civil rights for two years.

The decision by a court in Versailles meant Mr. Le Pen could be ineligible to run next year in European Parliament elections, important ones for his National Front party if it is to continue to gain influence.

Under the ruling, he could also be stripped of his current electoral mandates as a European Parliament member and a councillor in the Provence-Alpes-Cotes d'Azur region of southern France.

In addition, he could be barred from voting for two years.

But Mr. Le Pen, who won 15 percent of the vote in the 1995 presidential election, was widely expected to appeal the verdict.

He has 10 days in which to file an appeal. In that case, the measures against him could not be put into effect during the appeals process, which would be likely to take two years, possibly beyond the date of the next European election.

The verdict included a suspended three-month prison sentence and a fine of 23,000 francs (\$3,700).

The ruling was the latest blow to Mr. Le Pen's anti-immigrant party, which President Jacques Chirac recently assailed as "racist and xenophobic."

Following nationwide regional council elections last month that left the National Front with a deciding role in the choice of several regional presidents, Mr. Chirac has been consulting with the leaders of mainstream parties with a view to revising the electoral system to help prevent further inroads by Mr. Le Pen's party.

During the two-day trial, which ended Feb. 20, Mr. Le Pen denied the



Jean-Marie Le Pen leaving the European Parliament in Strasbourg after he was told of the verdict Thursday.

charges against him and denounced the court as being "at the orders of authorities."

The May 30 incident occurred during a campaign stop by Mr. Le Pen in the working-class town of Mantes-la-Jolie, west of Paris, where he was lending his daughter, Marie-Caroline, support in her bid for a legislative seat.

Mr. Le Pen, 69, a former paratrooper, scuffled with a handful of people protesting his presence, among them the Socialist Party candidate, Annette Peulvast-Bergeal.

In its ruling, the court cited "the extreme seriousness" of the incident, saying that it was all the more troubling "because it was committed by one elected official against another."

Mr. Le Pen also was convicted of kicking two anti-Front protesters and verbally abusing a third. He denied any wrongdoing, asserting that he had been provoked.

Mr. Le Pen warned in March that his supporters might revolt if the court barred him from public office.

He told the daily Le Parisien that such a sentence would amount to his

"civil death."

"This obviously carries a considerable risk as far as civil peace is concerned," Mr. Le Pen said.

"It is an outrage to citizens who are supposed to freely choose their representatives."

The Versailles court acquitted Mr. Le Pen's chief bodyguard but sentenced three of his other bodyguards to 3,000 franc fines for assault.

Three anti-Le Pen demonstrators were fined for their part in the fracas, while three others were cleared of charges. (Reuters, AP, AFP)

For Greece and the Euro, 2001 or Bust

By Celestine Bohlen
New York Times Service

ATHENS — Greece never had a prayer of joining the first round of countries eligible for Europe's common currency, so its exclusion from the list of 11 countries ready to adopt the euro next year was not an issue here.

Instead, the question is whether Greece, despite its belated efforts to trim its debts and shrink its overindulged state sector, is going to make it into the euro club in 2001 — a goal firmly held by the Socialist government of Prime Minister Costas Karamanlis and cherished by many Greeks.

For Greece, joining the euro is much like the dream many members of the former Soviet bloc have of joining NATO or the European Union: The tangible benefits of being admitted into the charmed circle may be debatable, but being left out is hell.

"It is already a negative thing to be out of the 11," said Dimitri Papadimitriou, spokesman for the Coalition of the Left, an opposition party. "But if we stay out after 2001, the cost will be painful. Now, we are the European country in the Balkans. Then, we would be another Balkan country in the Balkans."

With the devaluation in March of the drachma by 14 percent — the Greek currency is now part of a European exchange-rate structure that is a prerequisite for future euro members — the Simitsis government is convinced that Greece is on its way.

Finance Minister Yiannis Papantoniou says Greece has accepted prodding from its European partners to do in 18 months what it had already promised to do in three years: tackle its bloated public sector with the privatization of 11 publicly held companies, including several state banks, by the end of 1999.

"We have a mutual interest in succeeding," Mr. Papantoniou said, speaking of Greece's pledges to the other members of the European Union. "At this point, I don't see major risks. We are on the right way."

But here and in the rest of Europe, there is lingering skepticism about the ability of the Simitsis government — heir to the left-wing political machine built by the late Andreas Papandreu — to meet the harsh criteria set down for euro membership and still survive politically.

As the poorest country in the European Union, with a per-capita gross domestic product half that of Germany, an economy that is even more dependent on a corrupt and inefficient public sector than many former Communist countries and a reputation for squandering European Union subsidies, Greece is far from assured of meeting

Fearing a Minor Role, Athens Seeks Reforms

the criteria for monetary union. "The next two years are going to be critical," said Costas Stamboulis, editor of an economic newsletter. "The government will have to undertake wage freezes, a shrinking of the public sector, restructuring. It will create a lot of unrest, and they will have to cope with it."

The devaluation of the drachma, considered inevitable by many analysts, was presented, and for the most part received, as a bold and confident sign of the government's commitment to Europe. The Athens stock market soared, and foreign investors were cheered by the government's pledges to move swiftly ahead with privatization and hold down public spending.

But critics have since found reason to worry. Initially at least, the devaluation has put Greece, if anything, farther from the fiscal goals set for euro membership. In a country heavily dependent on imports, devaluation has led to a rise in inflation and a slowing of the decrease in public debt, much of which is held in

foreign currencies. Mostly, the doubts have to do with the government's ability to follow through on its promises.

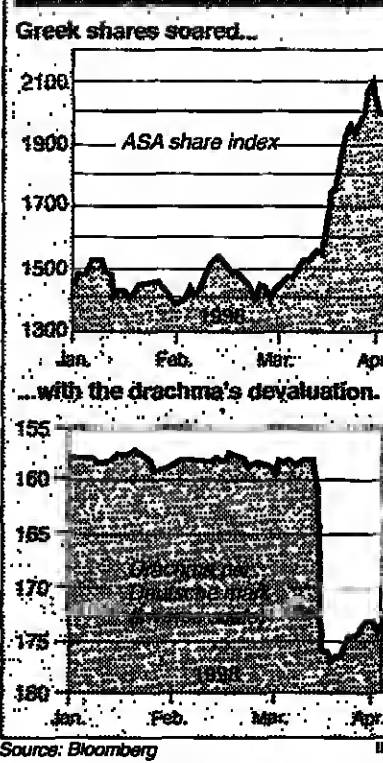
"Verbally they are doing extremely well," said Stefanos Manos, a former finance minister. "But I am not convinced this government will reach the euro criteria in time. The social base that elects this government is in the public sector. Simitsis will not cut off the branch he is sitting on."

The Simitsis government has scored notable success in bringing its fiscal affairs into order. Inflation, which was in double digits a few years ago, was down to 4.3 percent a year in February, while Greece's budget deficit, which was 13.9 percent of gross domestic product in 1993, the widest in the EU, fell to 4.2 percent of GDP in 1997, well on the way to the 3 percent level set for entry to the euro.

But many analysts see the final test of Greece's eligibility to join the euro — to take place in the summer of 2000 — as one that is as political as it is economic.

"If we don't make it by 2001, we will never make it, and Greece will be pushed out of Europe," Mr. Manos said. "Greece will have proved itself to be too different from the rest of Europe."

Greece Eyes 2001



Blair Plays Down Hitch in Ulster Peace

Talks Go On as Dublin Police Seize Half-Ton Car Bomb Bound for Britain

LONDON — Britain played down talk of a rift between London and Dublin over the Northern Ireland peace negotiations on Thursday as the two governments entered the final week of talks at odds over cross-border institutions.

The pace of talks quickened as the Irish police said that a car bomb they intercepted on its way to Britain was the work of republican terrorists and, at 980 pounds (445 kilograms), was among the biggest bombs they had ever found.

Prime Ministers Tony Blair of Britain and Bertie Ahern of Ireland met for three hours Wednesday over dinner but could agree only that "more work needs to be done" by their two governments.

A spokesman for Mr. Blair said that there was no reason for "doom and gloom" and quoted the prime minister as having told his cabinet on Thursday that he was still cautiously optimistic.

He denied that there was a real problem between the two governments over cross-border institutions to link Northern Ireland with the Irish Republic — a key demand both for Dublin and for nationalists in the British province.

"The two prime ministers are getting down to detailed discussions of points of difficulty," Mr. Blair's spokesman said, adding that there would be "all sorts of ups and downs" before the talks reached their deadline on April 9.

"We are determined to get this done within the deadline," he added, saying that the issue of North-South bodies had always been a difficult one.

The pro-British unionist parties in Northern Ireland oppose giving such bodies executive powers.

Mr. Ahern raised the stakes before meeting Mr. Blair by saying in Dublin that he was "not in the business of negotiating" unless the bodies were to be executive and not just "ad hoc chat shows."

David Trimble, leader of the largest pro-British Protestant party, the Ulster Unionists, said in Belfast that he was not surprised by the disagreement between Mr. Blair and Mr. Ahern in view of what he termed the "quite impossible" position set out by the Irish leader.

Mr. Trimble said Ireland had made "minimalist moves" in draft changes to articles in its constitution that lay claim

to the territory of Northern Ireland. Foreign Minister David Andrews of Ireland, also speaking in Belfast, denied Mr. Trimble's accusations.

He also said that he expected that George Mitchell, chairman of the peace talks, which opened in September, would try to put together a synthesis paper by Friday, then keep the talks in session during the weekend.

In Dublin, meanwhile, Irish police intercepted the half-ton car bomb bound for Britain from Dublin's main ferry port on Thursday.

Chief superintendent Patrick Culhane said the police believed "some element of republican paramilitaries" was responsible for the bomb.

A man driving the car with the bomb and two men and two women in a second car waiting for the ferry to Britain were arrested.

The last bombs to explode in Britain were the work of the Irish Republican Army, which has since called a ceasefire in its violent campaign to end British rule in Ulster. Security sources said the bomb could be the work of dissidents.

PAPON: Guilty of World War II Crimes

Continued from Page 1

be looked stricken behind the bullet-proof glass of the defendant's box as Judge Jean-Louis Castagnede quickly read out the technical details of the findings. The defendant made no statement.

His leading lawyer, Jean-Marc Varaut, said he would take the case to the Court of Appeals in Paris and to the European Court of Human Rights in Strasbourg if necessary, calling the verdict "neither fish nor fowl."

In asking for a 20-year sentence, the chief prosecutor, Henri Desclaux, argued that "Maurice Papon was an indispensable cog and played a key role, but he wasn't the instigator and he wasn't the only accomplice."

Mr. Papon's immediate superior, Maurice Sabatier, and other officials of the French state set up in Vichy after the German victory in 1940 were also investigated but died before the inquiry could be completed.

The principal French wartime collaborationist leaders, including the head of state, Marshal Philippe Petain, and his prime minister, Pierre Laval, either died in prison or were executed for treason after the war.

Judge Castagnede, 53, two associate judges, and nine lay jurors aged 26 to 63 considered 764 questions relating to 7 specific charges involving the deaths or deportation of 75 Jews, both French and foreign-born, in 1942 and 1943.

Under the Napoleonic Code, judges supervise the jurors and vote with them in reaching a verdict, with 8 out of 12 votes required to convict on any charge.

Though Mr. Papon argued that he should not be tried for the crimes of Vichy, part of his defense was that Vichy had spared the French, including Jews, even worse cruelties by the Germans.

He accepted a post as secretary-general of the regional prefecture in 1942 because, as he told the court Wednesday, "The civil service was the only rampart the people had against the occupation forces — the only one."

Whether this was Vichy's true nature and, if not, whether French civil servants obedient to Vichy's orders had made themselves accessories to Nazi war crimes, were questions that underlay the entire trial.

Those same questions have been gnawing at France's image of itself for most of the last half-century, tortured by postwar political arrangements that allowed many Vichy officials, like Mr. Papon, to rise to powerful positions.

Not until 1995 did a French leader, President Jacques Chirac, publicly acknowledge that France itself bore responsibility for Vichy's decisions to round up Jews and other political prisoners for the Germans during the occupation.

Of the 330,000 Jews living in France before 1940, a total of 74,721 were deported by the Germans and almost all of those died.

Thursday's decision, not accompanied by any kind of explanation or exposition from the court, was far from a blanket acceptance of all 764 charges that had been developed by prosecutors. Their 16-year investigation was plagued by lack of documentation and a dearth of surviving witnesses to a dark part of the past that most French people would prefer to forget.

The court found Mr. Papon guilty of complicity in German crimes for using his authority as secretary-general to satisfy German demands for the illegal arrests and detentions of hundreds of French and foreign-born Jews, although not all 1,560 named in the original indictment.

And it ruled that he bore responsibility for authorizing five of the eight rail transfers that the prosecution charged he helped organize then from Bordeaux to Drancy, north of Paris, from where the Germans shipped the victims off to Auschwitz, but apparently did not find enough evidence to tie him with the three others.

Nevertheless, these findings alone established his complicity with crimes against humanity under French law, establishing the criminal link that survivors of the Holocaust had sought between German war crimes and functionaries of the Vichy regime.

The court found Mr. Papon not guilty of the charge of deliberately and knowingly participating by these actions in a systematic Nazi plan for the murder of millions of Jews.

His defense tried, apparently successfully, to show that the Germans kept the full scope of their plans for the Holocaust secret from the French authorities.

Three leading Jewish organizations in France deplored the 10-year sentence as not commensurate with the crime. One, the Representative Council of Jewish Institutions in France, said the sentence had shown leniency to Mr.

Papon because of his poor health and because of the death of his 88-year-old wife last week.

The trial was long delayed by reluctance by French leaders to dig up the past, particularly since Mr. Papon's claims to have cooperated with the Resistance to the Germans and to the collaborationist French regime were backed by some Resistance leaders.

And he was not just any minor Vichy functionary. He became prefect of police in Paris during the turbulent period of the French Algerian War and was budget minister in the government of Prime Minister Raymond Barre when the charges against him first surfaced in 1981.

"I am not disappointed by the verdict," said Therese Stopnicki, whose two sisters, Nelly, 5, and Rachel, 2, were picked up by French police, put into a taxi and packed off to a concentration camp near Bordeaux in July 1942. The two little girls and their parents all perished in Auschwitz, and the 350-franc bill sent by the taxi company to Mr. Papon's office in Bordeaux was a key link in the chain of evidence against him.

"I am concerned that he was not found co-responsible for the murders," said Miss Stopnicki, who came from home in eastern France to spend the night in the Bordeaux courthouse, waiting for the verdict. She shed tears when it came.

"I'm afraid the extreme right will exploit that finding, but the important thing was to see Maurice Papon found guilty and given a just sentence," she said.

BRIEFLY

Havel Signs Decree For June Elections

PRAGUE — President Vaclav Havel signed a decree Thursday calling an early general election for June 19 and June 20 and said that he hoped the voting would lead to political stability in the Czech Republic.

The election, to which all mainstream political parties have agreed, follows the collapse in November of Vaclav Klaus's center-right coalition and is being held two years ahead of schedule.

"I would be happy if the chamber of deputies which emerges from the early election really lasts for the whole four-year election period," Mr. Havel said.

Latest opinion polls suggest, however, that the vote may produce a political deadlock similar to the conditions that hamstrung the Klaus government, which was formed after the last election, in 1996.

The main opposition Social Democrats maintain a clear lead over all rivals but the margin has narrowed lately, and polls indicate that no currently envisaged coalition would be able to muster a workable majority. (Reuters)

Hungarian Named To Form a Regime

BUCHAREST — President Emil Constantinescu of Hungary named a Christian Democrat, Radu Vasile, as prime minister-designate on Thursday with a brief to assemble a coalition government this month.

Mr. Constantinescu made the announcement after talks with leaders of the four-party coalition of Christian and Social Democrats, Liberals and ethnic Hungarians that is expected to form the government.

Mr. Vasile, secretary-general of the Christian Democrats, was nominated by his party Wednesday, two days after Victor Ciortea resigned as prime minister to end months of political turmoil. (Reuters)

Turks to Vote Early

ANKARA — Prime Minister Mesut Yilmaz of Turkey announced Thursday that his battered minority government would seek early elections in 1999, more than a year before they are due.

The coalition has looked close to collapse recently amid speculation of snap elections and army pressure to crack down on Islamist dissent.

Mr. Yilmaz gave no indication when he aimed to go to the polls. The Turkish media predicted voting in March. (Reuters)

Yx Im Finanzverbund der

ASIA/PACIFIC

China to Release a Tiananmen Dissident Leader, U.S. Officials Say



Wang Dan demonstrating in Tiananmen Square in May 1989.

By Steven Erlanger
New York Times Service

WASHINGTON — China has agreed to release a noted dissident, Wang Dan, for medical reasons, and send him into exile, according to senior U.S. officials.

The release is part of an agreement by the United States last month to drop sponsorship of a resolution condemning China's human rights policies.

The U.S. officials confirmed the agreement for the release of Mr. Wang, which is expected to happen sometime before President Bill Clinton goes to China for a summit meeting in June. But they also said they were worried that premature publicity could harm the chances for Mr. Wang's release, since its timing is still under discussion with Beijing.

A White House spokesman, P.J. Crowley, refused to comment.

Mr. Wang, 28, was a student leader of the Tiananmen Square democracy movement, suppressed by the Chinese Army in 1989; he served four years in prison for his role in the demonstrations. He was arrested again in May 1995, and is serving an 11-year prison sentence for "subversion."

Along with Wei Jingsheng, Mr. Wang has been at the top of the list of Chinese dissidents whom the Clinton administration has been trying to get released. Mr. Wei was released on medical grounds and went into exile Nov. 16, shortly after President Jiang Zemin came to Washington for a summit meeting with Mr. Clinton.

Until about a year ago Mr. Wang had rejected the idea of leaving China, fearing he would never be

allowed to return. But faced with the prospect of another decade in prison and with the entreaties of his family, Mr. Wang has changed his mind and accepted exile, according to human rights workers in China who asked out to be identified.

Chinese officials have insisted that Mr. Wang could be released only if he merited medical parole, and that a final decision must be left to the Chinese judiciary.

[A spokesman for the Foreign Ministry, Zhu Bangzao, did not respond directly when asked Thursday whether Mr. Wang was to be released, but said prisoners who met medical guidelines could be paroled. The Associated Press reported from Beijing.]

But the release of Mr. Wang, like that of Mr. Wei, is clearly a political decision by the Chinese government and Communist Party, and may have been influenced by the relatively tepid reception Mr. Wei has received in exile, both from Western governments and Chinese democracy activists already abroad.

Mike Jendryczek, the Washington director for Human Rights Watch Asia, said, "Releasing prisoners when it means sending them abroad does not indicate a change of policy or attitude on the part of the Chinese."

"Of course we would welcome Wang Dan's release," Mr. Jendryczek said, "but we would urge the administration to insist on more meaningful reforms in exchange for Clinton's visit to Beijing."

The Chinese objected strenuously when Mr. Clinton met Mr. Wei in a private meeting in the White House on Dec. 2, less than a month after his release. In the meeting, Mr. Wei warned Mr. Clinton to be wary of

Chinese government promises and said: "Do not pay before the goods are delivered."

In this case, Mr. Clinton appears to have ignored Mr. Wei's advice. Mr. Clinton agreed to drop the annual U.S. sponsorship at the United Nations Human Rights Commission in Geneva of a resolution condemning China's human rights practices.

On March 13, White House officials said they would not sponsor a resolution this year because the Chinese had met U.S. requirements, including an agreement to sign the International Covenant on Civil and Political Rights and the release of a number of prominent political prisoners.

"I believe there will be further releases," a senior official said then, and human rights workers speculated that those prisoner releases might include Gao Yu, a journalist arrested in 1993 just before she was to attend Columbia Journalism School in New York. She got six years for divulging state secrets in an article she wrote in a Hong Kong newspaper about the Chinese budget. The list could also include Liu Nianchun, a labor activist serving three years in a labor camp who is said to be in bad health.

The White House has also raised the cases of some Tibetan Buddhists, and an U.S. religious delegation that recently visited China gave the authorities a list of some 30 church figures who have been harassed or are under arrest. They said on their return to America that they expected some on their list to be released soon.

The most prominent on the list is Bishop Shu Zhimin, 65, who has spent two decades in and out of prison for preaching outside government-authorized churches.

As Indonesians Widen Dissent, More Are Missing or Seized

By Cindy Shiner
Washington Post Service

JAKARTA — Francisca Sri Haryatni never spoke to her six children about the hardships she endured during the turbulent period leading up to and immediately following President Suharto's coming to power in the mid-1960s.

She did not talk about how, while in labor with her first child, she had to walk a mile to the doctor because there was no transportation; how there was no milk for her newborn; how neighbors and friends disappeared or were killed in the anti-Communist purge that followed the unsuccessful coup that heralded Mr. Suharto's ascendancy.

"It was pointless. I didn't want to talk about the suffering of the past," said the slight, 63-year-old.

But she can no longer block out reminders of that painful era.

Mrs. Sri Haryatni's son, a political activist, has been missing for more than a month. Human rights workers say he has been jailed, but their search for him has been fruitless. They say he is among a growing number of government opponents who have disappeared, gone into hiding or been arbitrarily detained this year as the administration seeks to quell dissent during Indonesia's worst economic and political crisis since Mr. Suharto came to power 32 years ago.

"I think it is the same now," Mrs. Sri

Haryatni said. "The government threatens its opponents now just like they faced the Communists. They only recognize parties or political activities on the side of the government."

Her son, Pius Lustrilang, 29, is secretary-general of a group known as Siaga, a political coalition that supports two of Indonesia's most prominent opposition figures: Amien Rais and Megawati Sukarnoputri, the daughter of former President Sukarno. Another Siaga leader, Ratna Sarumpaet, was arrested with eight other activists March 10 during a small pro-democracy demonstration.

Marzuki Darusman, deputy chairman of the Indonesian National Commission on Human Rights, said it was "wor-

rying" and "quite out of the ordinary" for such prominent activists as Mr. Lustrilang and Mr. Sarumpaet to disappear or be detained.

"Now and then we do have reports of people missing who are just the rank-and-file activists, but this time it's an official, or an officer of a movement," he said of Mr. Lustrilang. He added that the arrests and disappearances showed that the authorities were "not taking these new groupings lightly and therefore these things can happen even to open and on-the-surface groups."

Amnesty International says there has been a "dramatic increase" in the number of political detainees this year. At least 140 people are in jail awaiting trial

for involvement in political activities and demonstrations.

Local human rights groups say about a dozen people have been reported missing — a loose term that usually means a person has been detained by security forces, gone into hiding or been abducted by shadowy, pro-government vigilante groups.

Local human rights workers also have been intimidated. They talk of harassing phone calls in the middle of the night and constant surveillance by intelligence agents. The home of one rights worker was stoned. Some political detainees have been roughed up and burned with cigarettes.

The last time the government cracked down on its opponents with similar vigor was in July 1996 when Mrs. Megawati's Indonesian Democratic Party headquarters was stormed. Sixteen people are still missing.

Last month, the government banned political gatherings and demonstrations during the week leading up to and following the 11-day meeting of the People's Consultative Assembly that appointed Mr. Suharto to a seventh five-year term.

Political activity on college campuses was banned 20 years ago, but student protests are held almost daily across the country. Activists, however, rarely dare to leave campus to march down the streets to press their demands for political and economic reform. On the few occasions they have, security forces quickly intervened with truncheons. The military recently called for dialogue.

"Until the last few years, people only whispered about politics," a student said. "They were afraid to speak out loud. They have been living in fear for the past 32 years."

To deal with growing popular discontent, the government has begun dusting off old laws on subversion and political activity from the pre-Suharto era.

"They seem to have difficulties referring to the existing laws, so they are looking into the archives and have found that apparently there is a law that is still in force that can be used to process borderline cases," said Mr. Marzuki of the Commission on Human Rights.

At least one law dates to 1963, when President Sukarno was struggling with his Communist opponents. The law stipulates that every political activity must be reported to the police and a permit issued for gatherings or demonstrations.

Suharto Won't Let 'Achievements Go Down Drain'

Q & A / Ali Alatas, Foreign Minister

As leaders from the European Union and 10 East Asian nations gathered for a meeting in London, the Indonesian foreign minister, Ali Alatas, discussed issues facing his nation with Robert Kroon for the International Herald Tribune.

Q. The re-election of President Suharto to a sixth term as Indonesia's leader and his choice of former Technology Minister B.J. Habibie as his vice president has done little to restore international confidence in the rupiah or the Indonesian economy, for that matter. Isn't Suharto's self-perpetuating rule after 32 years in office a reason for this lack of confidence?

A. It is not a matter of self-perpetuating rule. A sudden change at the helm now would be a recipe for disaster. The president was re-elected by the People's Consultative Assembly last month because he is the only guarantee for national stability, which is an absolute must to get Indonesia out of its current plight.

Foreign critics overlook the fact that it was President Suharto who brought the nation out of the chaos of the 60s and turned it into a regional economic power that won universal praise until the monetary crisis struck East Asia last year.

The president accepted another term because he refuses to see his life's achievements go down the drain.

Q. But can the government ignore the rising tide of student demonstrations, Indonesian media criticism of corruption and nepotism and pressure for democratic reforms from public figures like the Muslim leader Amin Rais and Megawati Sukarnoputri, the daughter of Indonesia's first president?

A. Megawati is not a serious contender for the country's leadership and says so herself. As for the demonstrations and press criticism, such safety valves help relieve the pressure as long as they don't threaten the nation's stability. Nobody is happy with the present economic situation.

Q. But the president seems reluctant to take the medicine prescribed by the International Monetary Fund, especially when it affects his family's business interests. Take his youngest son's national car venture, whose preferential status violates free-trade regulations, according to the World Trade Organization. The Timor car project was supposed to be shut down, but has it?

A. We will abide by the WTO ruling and that venture will be terminated. But we feel the IMF initially rode somewhat roughshod over the specifics of Indone-

sian society, with its demands for wholesale privatizations. Take this so-called rice monopoly, for instance. Rice has always been the life-sustaining staple of the nation, and even the Dutch colonial government took that into account. It is easy for the IMF to say, abolish the monopoly of BULOG, the government agency that distributes vital rice supplies to the farthest corners of the archipelago. Do you think that a private company would bother selling rice in places like Irian or other outlying islands?

Q. Your neighbor Malaysia is evicting illegal Indonesian migrants, apparently including political refugees from Aceh in north Sumatra. Could that lead to a new confrontation as in the days of President Sukarno?

A. That is totally out of the question. I talked with my Malaysian colleague today, and we are both horrified at last week's riots and death toll at that migrants' camp near Kuala Lumpur. But we understand Malaysia's position, and Indonesia is cooperating in the repatriation by sending ships. As for the migrants from Aceh who are now claiming political refugee status in the premises of the High Commissioner for Refugees, we will look into that problem with the HCR. I don't believe they qualify for the status of so-called freedom-fighters, though. The real rebels stayed put in Aceh and didn't run away to Malaysia.



Mr. Alatas: 'Sudden change at helm now would be recipe for disaster.'

THE INTERMARKET

GENERAL

MOVING

International Moving Company

Tel Paris: +33(0)1 48 13 01 02
Fax Paris: +33(0)1 48 13 07 08
Tel London: +44-181-965 8733
Fax London: +44-181-965 0249
Tel New York: 1 718 433 4005
Fax New York: 1 718 433 4009

CHOOSE YOUR SCHOOL

via

The International Education Guide

For your free copy please write to:
International Herald Tribune
Inelda Mauve
181 avenue Charles de Gaulle
92521 Neuilly Cedex France

International Herald Tribune ads work

MOVING

ALLIED ARTHUR PIERRE

THE PROFESSIONAL MOVERS

For all your international moving needs

Paris +33 1 34 75 92 92
www.allied.com

Announcements

Herald Tribune

SUBSCRIBER CUSTOMER SERVICE:
For questions or orders about the delivery of your newspaper, the status of your subscription or about ordering a subscription, please call the following numbers:
TOLL FREE: 1-800-828-8282 (USA)
0000 4 448 7827 France 0000 4 448 7827 Germany 0130 048555 Great Britain 0200 4 448 7827 Greece 0000 33 12 15 05 Ireland 0000 4 448 7827 Italy 167 170040 Luxembourg 000 2703 Netherlands 0000 4 448 7827 Norway 0000 4 448 7827 Sweden 020 797039 Switzerland 0000 4 448 7827 Elsewhere (US) 1 41 438 381 THE AMERICAS: USA (toll-free) 1-800-828-8282 Elsewhere (+1) 212 762-8390 ASIA: Hong Kong 2322 1171 Indonesia 809 1926 Japan (toll-free) 0120 464 027 Korea 3672 0044 Malaysia toll-free 1-800-880102 Philippines 955 4948 Singapore 325 0035 Taiwan 7733458 Thailand 277 4485 Elsewhere (+652) 28221171

Announcements

BARRENE AS 24
AU 3 AVRIL 1998
Prix Hors TVA en devises locales (Reduction disponible sur demande)
Remplacez les barres exterieures

FRANCE (zone C) en FF - TVA 20,5%
GO: 3,68 FOD: 2,24
SCSP: 5,35 SCSP: 5,19

UK (zone B) en £ - TVA 17,5% (hors 5%)
GO: 0,5880 FOD: 0,3476

ALLEMAGNE (zone I) DM - TVA 16%
GO: 0,87 SCSP: 1,27
MAY: GO: 1,03 SCSP: 1,36

BELGIQUE en FF - TVA 21%
GO: 21,16 FOD: 9,87
SCSP: 32,40 SCSP: 30,41

HOLLANDE (zone NL) - TVA 17,5%
GO: 1,226 FOD: 0,829
SCSP: 1,932 SCSP: 1,891

LUXEMBOURG en LFR - TVA 15%
GO: 17,65

ESPAGNE (zone A) en PTASA - TVA 16%
GO: 83,10 FOD: 0,829
SCSP: 103,10 SCSP: 107,59

* Usage réglementaire

Persons

MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world, now and forever. Sacred Heart of Jesus pray for us. Saint John, pastor of mankind, pray for us. Saint Joseph, help of the righteous, pray for us. Thank you. M.B.

Automobiles

KJRH. Red Mercedes 190E, 1.8L. Blue-grey interior. Electric windows, alarm & central locking, air conditioning. Full Service history, immediate condition. £12,000 ono. Tel: 0171 486 8653.

Auto Rentals

RENT AUTO DERBY FRANCE: Weekend FF500 - 7 days: FF1500. Tel: Paris +33 01 4389 5555. Fax: 01 4353 9525.

Autos Tax Free

EUROPE AUTO BROKERS, INC
Tel: Holland 31(0)20-809494 Fax: 809394

Legal Services

DIVORCE - 1 DAY CERTIFIED
Call or Fax (800) 822-3915. White: 16787
Beach Blvd. #137, Huntington Beach, CA 92648 USA e-mail: divorce@april.com

DIVORCE IN 1 DAY. No travel. White: Box 377, Sudbury, MA 01776 USA. Tel: 978/449-8987. Fax: 978/443-0183.

See Saturday's Intermarket
(for Arts, Entertainment, International, Medical, Pet, Services & Domestic).
To advertise contact Sarah Wainwright on +44 171 420 0336 or fax +44 171 420 0338
A GREAT DEAL HAPPENS AT THE INTERMARKET

Seoul's Ex-Intelligence Chief Faces Arrest in Smear Inquiry

Reuters

SEOUL — A court issued a warrant Thursday for the arrest of a former intelligence chief linked to a smear campaign that took place just before the presidential election in December, Seoul media reported.

The state-run Korea Broadcasting System television said the warrant for the former official, Kwoo Young Hae, had been issued at the request of state prosecutors. But Mr. Kwon refused to comply with the warrant and had not yet been arrested, the report said.

Mr. Kwon, a former director of the Agency for National Security Planning, was due to be discharged from a hospital

late Thursday after emergency surgery that followed a suicide attempt. He sliced his stomach with a blade March 21 after facing six hours of questioning in connection with the alleged plot.

State prosecutors said investigators were looking into a plot code-named Northern Wind that was aimed at discrediting Kim Dae Jung a week before the election Dec. 18 that made him president.

They said former agents of the security agency had arranged three news conferences in which a U.S.-based Korean businessman alleged that Mr. Kim had received campaign donations from North Korea.

Vote on First Hong Kong Legislature Takes Flak

The Associated Press

HONG KONG — Hong Kong began the long process Thursday of choosing its first legislature under Chinese rule, electing a committee that will pick just 10 of 60 seats. Only a fraction of registered voters were eligible to take part.

Even so, the turnout was low, reflecting both confusion about the government's criteria for casting ballots and lack of interest in the 800-seat electoral college.

Democrats criticized the vote as a "small-circle election" designed to reduce their representation in favor of supporters of the Communist government in Beijing and Hong Kong's business elite.

Frootier group held a small protest, Emily Lau, a former lawmaker, called the election "utterly repugnant."

"In this day and age," she said, "the only way for people to choose their legislature is for all seats to be elected by universal suffrage."

The election Thursday was limited to corporate representatives and members of select professional organizations and business groups.

That ruled out most people, including those not represented by a professional organization, such as homemakers and students.

Just 140,000 of Hong Kong's 2.6 million registered voters met the government's criteria.

Two hours before the polls closed, 26,646 people, or 19 percent, had cast ballots.

Prelate Installed In Ho Chi Minh City

Reuters

HO CHI MINH CITY — Vietnamese Catholic Church officials installed an influential archbishop in a colorful ceremony on Thursday in a sign of slowly warming ties between Hanoi and the Vatican.

People here said the investiture of Jean-Baptiste Pham Minh Man as archbishop of Ho Chi Minh City was long overdue.

Archbishop Man, 64, stepped into one of the Vietnam Catholic Church's highest positions two years and nine months after the death of his predecessor, Paul Nguyen Van Binh, in July 1995.

(Reuters)

The Hong Kong leader, Tung Chee-hwa, who was hand-picked by Beijing last year, said the vote for the 800-member selection committee was fair and open.

"The 800 will be representing views from a cross-section of our community," Mr. Tung said.

The legislature's 60 seats will be chosen by three different methods on May 26 under a cumbersome voting system introduced after Hong Kong reverted to Chinese rule on July 1.

Twenty seats will be chosen in elections based on universal suffrage. Thirty seats are "functional constituencies" that represent and are chosen by members of businesses, professional associations and other bodies. The remaining 10 seats are chosen by the electoral college.

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Indian Nuclear Policy

Lurking in the otherwise reasonable American welcome of India's new Hindu nationalist-led coalition government is a tinge of concern for the future of Indian nuclear policy. Past party pronouncements have favored ending the maintenance of what Indians have called, since their lone weapons test of 1974, a nuclear option. Instead, the now-governing party would at the least declare India a nuclear power and perhaps move on to missile flight testing, weapons testing and ultimately deployment. Any one of these steps could escalate Indian-Pakistani tensions. Any one could confound the global American effort to contain proliferation.

It is not easy for Americans to broach nonproliferation with democratic and friendly India. Indians see such approaches as serving the convenience and pride of a country richer but no wiser and no more threatened than themselves. They say, not entirely convincingly, that their nuclear priorities arise first not from regional rival Pakistan but from China, a major strategic power. These considerations require Washington to proceed with care.

Prime Minister Atal Bihari Vajpayee has a record of personal moderation. That his sometimes jingoistic party needs partners to govern seems in this instance helpful. Hoping to disprove expectations of coalition fragility, he is launching a strategic policy review. It is a potential opening for nuclear hawks but a useful learning and consensus-building device for a party that has not previously known national power.

President Bill Clinton's planned trip to South Asia next fall provides an occasion for an American initiative. Different schemes to narrow nuclear options and broaden confidence are being weighed. An economic initiative has possibilities. India and Pakistan both need major loans, as well as major reforms, to gain up the high growth that their economic plans require. The international banks, public and private, are bound to penalize diversion of resources to nuclear ambitions. American support for economic projects that draw the two countries together could accomplish several things — growth, peace — at once.

— THE WASHINGTON POST.

Jones Case Dismissed

Proper Legal Process

In the Paula Jones case, as in White-water and all lawsuits and investigations involving Bill Clinton's legal troubles, the New York Times editorial page has argued for full, fair operation of the legal process. We are satisfied that the proper procedures were followed by Judge Susan Webber Wright in granting summary judgment for President Clinton.

By ending the case so dramatically, Judge Wright has opened the way for argument among legal scholars and perhaps for an appeals court as to whether she read the law correctly. Reasonable people can disagree with her decision that the behavior attributed to Mr. Clinton, even if true, did not amount to the legal definition of sexual harassment requiring a full trial.

Even so, we are satisfied that Mrs. Jones was treated respectfully by the court, that she had vigorous representation and that Mr. Clinton and his lawyer, Robert Bennett, enjoyed no unearned advantage in securing their victory. Indeed, the Supreme Court affirmed Mrs. Jones's right to bring her charges, and compelled the president to respond to them.

If the ruling stands, Mr. Clinton has not merely prevailed as a litigant. He has won a huge political victory, avoiding a trial that could have further undermined his reputation and had an irreparable impact on the history of his administration.

Now Back to Starr

Judge Susan Webber Wright on Wednesday dismissed Paula Jones's sexual harassment suit against Bill Clinton. When finally faced with the question of whether there was a plausible legal case for sexual harassment, the judge held that there was not.

Even if Mrs. Jones is telling the truth and a state trooper brought her to her Governor Clinton, and he exposed himself to her and asked for oral sex, the alleged conduct does not meet the legal definition of sexual harassment, the judge ruled. There is, therefore, no need to have a trial.

It was the view of the Washington Post editorial page that at least some of Mrs. Jones's case should be tried. But the summary judgment question was certainly a close call, and there were strong reasons for a judge to go the other way. Moreover, there are certain obvious civic advantages to having this case dismissed. Mrs. Jones will have a chance to get the ruling reversed, and her appeals could drag out for some time, but the summary judgment should stop, at least for now, the highly contentious mudslinging into which the suit long ago degenerated.

This could allow independent counsel Kenneth Starr to pursue his criminal investigation without the unfortunate taint of Mrs. Jones's lawyers scrounging for damaging tidbits (some supported, some not) with which to further damage Mr. Clinton's reputation. It could allow the criminal questions to be examined without an overlapping civil

Other Comment

Cures Worth Financing

We are at the point where we can literally buy and pay for cures and therapies that once were thought impossible. It has been discovered that regeneration is possible in the central nervous system. The next step is to humanize [a growth antibody shown to be successful in rats]. But what if the money isn't there to make it happen?

There will be a vaccine for diabetes, there will be a way to stop the demyelination in MS, there will be a cure for Alzheimer's. All these things are not speculation, but right now we spend, say, about \$90 billion a year in Medicare and Medicaid payments to people with Alzheimer's while doing nothing to cure them. Certainly, another \$13 billion in the scheme of things is very little, but over the next five years if we were to double the budget, the savings could be as high as \$350 billion.

— Christopher Reeve, quoted in The Washington Post.

Europe Can Be Part of the Solution for East Asia

By Roger Buckley and William Horsley

LONDON — A resurgent Europe meets a demoralized Asia in London this Friday and Saturday to try to find a common strategy and sense of purpose. The two regions together account for half of the world's economic output. The meeting will be dominated by the need to counter the financial crisis in East Asia, which has undermined a self-confident march to affluence.

The leaders will seek ways to promote faster growth and greater prosperity in Asia and Europe. They can do so more effectively by working together. Can the Europe-Asia meeting deliver?

One proposal on the table is a European know-how fund to speed up financial reforms in East Asia. High-sounding goals include removing nontariff barriers to trade and relieving extreme poverty caused by the collapse of whole economic sectors in some East Asian countries. If the meeting succeeds in setting the right course, it can do much to improve the lives of close to half the world's population.

Economics: The London summit is an opportunity to build on the international rescue efforts, mounted

mainly through the IMF and the World Bank, which have staved off a total collapse among some of the economies of East Asia. One test will be whether the meeting can cajole reluctant governments, such as Indonesia's, into adopting more painful but prudent long-term policies. Investment from and trade with Europe could play a key role in East Asia's recovery.

Politics: When the first Asia-Europe summit was held in Bangkok two years ago, East Asia was riding high and unconcerned about promoting greater democracy. But a lesson that many have drawn from recent events is that authoritarian politics lead to misery. The democratically elected leaders in South Korea and Thailand are proving better at carrying through painful economic reforms to hasten recovery than their authoritarian counterparts in Indonesia.

In Japan, the arrogance of unaccountable mandarins in the Ministry of Finance and other inner sanctums of

power has been punctured. Tokyo must be encouraged to press on with far-reaching reforms of its political and economic structures.

Japan is still the world's largest creditor and second largest economy. It could be a major engine for recovery. But it should not succumb to its old bad habit of introspection. Instead it should stimulate domestic demand and give a positive lead to other Asian countries.

One positive sign for East Asia is that China has recently chosen a dynamic prime minister, Zhu Rongji. He sees the need for more accountable government. He also wants to harness the enormous economic energy of the Chinese population by moving closer to the principle of free enterprise.

But there are latent dangers for East Asia. Among them are a new round of financial impositions that would make it more difficult for Japan to avoid recession, protectionism and a rise of nationalism and xenophobia, already evident in Malaysia's mass expulsions of illegal immigrants.

Europe looks like part of the solution for East Asia, rather than a drag on the

region. The most dynamic emerging economies are now in Eastern Europe, not East Asia. Poland, for example, with a population of nearly 40 million, is well on the way to emulating the feat, carried out by Japan and South Korea, of doubling national income in a decade.

The European Union, newly reinvigorated by strong internal competition and sound policies, has become an economic superpower. It represents a market even larger than that of the United States. It has played a leading part in liberalizing global commerce through the World Trade Organization. It is steering the former Warsaw Pact states toward becoming robust free-market economies and full EU members.

The launch of the single European currency will give the EU additional global authority. Such pooling of sovereignty could be a pointer to Asia on the benefits of closer regional integration.

Mr. Buckley teaches history at the International Christian University in Tokyo. Mr. Horsley is the BBC's European affairs analyst. They contributed this comment to the Herald Tribune.

For Chinese, Economic and Political Progress Go Together

By James Moorhouse

STRASBOURG — The future direction of China has become clearer. An observer has to give a positive judgment in most respects.

Competent reformers have slipped with little fuss into the presidency and the prime ministry. The transition of Hong Kong and the fallout from the financial crisis in Southeast Asia have been handled with tact and responsibility.

And at the recent meeting of the People's Congress, the leadership committed itself to dismantling the worst excesses of the command economy — bloated bureaucracy, indebted banking sector and loss-making state-owned enterprises that waste so much of China's capital and resources.

Now that we know where China is heading and who is in charge, we need a strategic vision for managing reforms.

At the Asia-Europe summit that starts in London this Friday, China may be promised EU support for membership in the

World Trade Organization and for developing its economy.

This vision of China ignores human rights. Despite its many recent achievements, China is still a Communist dictatorship; it still oppresses its own people and occupies and brutalizes Tibet. No strategy for dealing with China can be complete unless it addresses the issue of how to turn the world's largest autocracy into the world's largest democracy.

It is in this respect that the EU's China strategy falls down. At the Asia-Europe summit, human rights will be discussed with China only at the margins of the meeting, as part of a separate EU-China dialogue. In this way, human rights will be kept out of the media spotlight, and separated from key decisions about strengthening economic ties.

This setback for human rights comes hot on the heels of the EU's decision not to sup-

port a resolution censuring China at the UN Commission on Human Rights, in Geneva.

The European Commission and the Council of Ministers claim that they are not downgrading human rights issues, merely approaching them in a different way that they believe to be more effective.

Sir Leon Brittan said recently that the best way to promote human rights in a reformist China was to strengthen the process of economic reform and maintain a constructive political dialogue. This view does not stand up to close examination.

Supporting economic reform is a good idea, but China has yet to undergo political reform. In Russia, we can believe that aid, trade and investment will strengthen human rights because Russia is a democracy. In China, the wrong people are in power under the wrong political system.

In this situation, human

rights are in danger of being caught in a Catch-22: If economic reforms strengthen the political dictatorship, then we are moving further away from democracy; if reforms undermine the dictatorship, we must fear what brutal measures they might take to reassert control.

In the late 1980s, China-watchers felt that economic liberalization would lead to political liberalization. What we got instead was Tiananmen Square. Nearly 10 years on, there is still no reason to believe that the tenacious Chinese leadership will simply reform itself out of existence.

The very next stage of economic reform could be the one to create a social explosion. If China carries out its promise to slim down the bureaucracy and close loss-making banks and state-owned enterprises, it could put 4 million people out of work. China, post-Mao, has never been tested by a strain of this magnitude.

It is not clear that the EU's

comfortable political dialogue with China will have any impact at all on human rights. Simply, you cannot talk the Chinese authorities into improving human rights. They respond only to pressure.

In short, we have to make our concerns their concerns.

As the next stage of China's reform process unfolds, the EU does have an opportunity to improve human rights in China, but it can be done only by telling Beijing that the aid, trade and investment it so desperately needs to reform its economy are conditional on China observing international standards on human rights.

Economic progress going hand-in-hand with political progress — that should be our vision and strategy for China in the new millennium.

The writer, a British Conservative in the European Parliament, contributed this comment to the International Herald Tribune.

Potemkin Capitalism in Vietnam After a Hopeful Start

By Michael Zielenziger

HANOI — The first startling signs of the "new Vietnam" are the shimmering pink walls and emerald glass windows of the Metropolitan Building, an edifice so sleek, with its pyramid spires, that it could have been transported whole from downtown Los Angeles.

Look at the elegant shops on the ground floor. The neatly dressed foreigners queuing up at the bank windows and using the lobby ATM machine. What a potent symbol of financial liberalization, consumer convenience and 21st century globalism in a nation reborn.

But look again. That isn't really a bank. Those are three lifeless mannequins propped up in front of cardboard counters. The tellers dressed in traditional *ao dai* are dummies, too.

Go past the armed guards and into the strangely quiet lobby

and you learn that this swank property is virtually deserted. Stroll by the hotels that stand padlocked, or the factory sites where work has stopped, and the story is the same: Foreign money is throwing up its hands and leaving the country.

To a visitor returning after a gap of nearly five years, the striking thing was not the high-rise office buildings now towering over Dong Khoi Street but the fact that they were nearly empty. In an Asia convulsed by change, who would have thought that the new Vietnam would become stagnant?

Before President Bill Clinton lifted the trade embargo in 1994, it was easy to envision a bright future for this brutally bruised nation once the Americans opened the gates hocking trade and aid. The Vietnamese

people, after all, remain among the hardest working; literacy rates are high, labor rates low; the lush Vietnamese countryside virtually bulges with food, and English is widely spoken. If America helped open up Vietnam to foreign commerce and foreign ideas, the momentum for liberalization would become unstoppable. Or so it seemed.

For a while, in fact, the foreigners with their business plans and their profit forecasts streamed into Hanoi to win permission to build export zones, hotels, food processing businesses and consumer products factories. Vietnam was the flavor of the month among emerging markets. Even many "Viet Khieu," Vietnamese who fled the country after the war, came home to help rebuild.

A friend of mine, who fled

his homeland in a leaky scow, was one of those who dreamed of such a homecoming. He had a "mission," this MBA graduate recalled over beer here one night. "I wanted to help my country recover. I felt like I had a duty to help my people."

Now, just three years after he returned to help a U.S. multinational set up operations in Vietnam, he was packing up for California. "The government will just not allow the people to think for themselves," he said. "So they can't compete in the modern world. And the endless government red tape and the resulting corruption from petty bureaucrats just does not cease."

Last year, new foreign investment plunged by 50 percent, to \$5.1 billion.

Investors from South Korea, Taiwan and Singapore realize that problems at home brought on by the Asian currency crisis demand their attention. And European or American investors would rather buy Thai assets at half-price than slog through the primitive back halls of Hanoi's ministries to secure another import license or investment approval.

The complaints from business executives have not changed in a half-decade: the lack of a legal framework for doing business, corrupt bureaucracy, and government fiat that can vary from week to week.

Business leaders once felt that Hanoi's aging leadership would follow Beijing's model for development. A gradual transition to a free market would unfold as long as the

Communist maintained tight political control.

But Vietnam awaits its own version of Chinese Prime Minister Zhu Rongji. And rather than learn from Asia's currency crisis that transparency and a light government hand are the solutions to economic troubles, its leaders are hunkering down to ride out the storm.

"We'd have hoped by now the government would signal it understands the need for reform," an attorney who has pioneered foreign investment told me. "But frankly, the tide is going the other way."

As South Korean and Indonesian banks close their branches here, disgruntled expatriates go home, and foreign joint ventures sink in red ink, the best scenario Vietnam's real friends can hope for is another crisis to force the country's leadership to re-examine its conduct.

The writer is Tokyo bureau chief for Knight-Ridder Newspapers. He contributed this comment to the International Herald Tribune.

A Mood of Distress in France

By Flora Lewis

PARIS — France is in a mood of distress. One critic, arguing for an energy of optimism that he sees in Tony Blair's Britain, calls his country "paralyzed, cringing, simultaneously passive and rebellious in the face of global change" (Pierre Lellouche in a new book, "The Immovable Republic").

The talk in the political class is of "political crisis." President Jacques Chirac has launched consultations on how to "modernize" public life.

The immediate trigger for this new outburst is the result of regional and cantonal elections. The Socialist-led left coalition made big gains at the expense of the bickering traditional right, which in a few regions clung to power by relying on the National Front to make up a majority.

The Front, Europe's second biggest extreme right party after Austria's, has been inebbing up to a nationwide 15.3 percent of the vote. In some areas around Marseille, in Paris outskirts and in Alsace it scored as high as 30 percent.

Mr. Chirac went on television to denounce arrangements with the Front, which he described as "racist and xenophobic." Its leaders often play with coded language to divert outright accusations of being neo-Nazi, fascist, anti-Semitic. Their message is nationalism, hatred of immigrants, anti-Europe.

The non-left added all to-

gether has a steady majority of a little over half in French elections; the left, which is dominated by the Socialists but includes Communists and a handful of marginal parties, has a little less. But the traditional right, already divided in two major parties, has a hard time uniting its vote. Where, as in regional elections, there is proportional representation, the National Front can be the big spoiler.

There are a number of proposals for changing the electoral system, even for changing the constitutional powers of the president. But the sense of trouble goes much deeper, and there is reason to fear unintended consequences if hasty fix-it measures are applied.

There is a disconnect between the way the system functions now and people's attitudes and expectations. A major complaint is the lack of vision, of a national project to rally around. Most people do see the National Front's tirades as anachronistic, dangerous, demeaning to a country that prides itself on historical values of "liberty, equality, fraternity."

But nobody has produced an effective recipe to bring down unemployment, still more than 12 percent and the greatest single social grievance, although otherwise the economy is doing well.

The great enterprise of creating institutional Europe, soon with a single currency, is seen as a technocratic exercise where advantages and disadvantages can be calculated in figures without spirit.

Although nostalgia and reverence for the aesthetic and natural heritage remain strong, it is not true that France rejects the changes that the modern world demands. Perhaps with less exuberance than America, it has nonetheless plunged into the computer age, efficient transport, marketing, latest design. Things work quite well.

But there is still a feeling that the country has lost its grip, needs regeneration. Maybe it is too much ambition, left over from the grandeur and power days without the means to impose itself any more. Maybe it is loss of ambition and direction. Probably the two are mixed, and compound dissatisfaction.

The French see their dilemma as particularly French. But it is no doubt a version of the problems that the great transformation of the world's economy is bringing, indeed of the need for a political dimension when economics seem to dominate everything.

It is a serious challenge to politicians and the intellectuals who supply their discourse, and not only in France. Democracy demands vibrant expression.

Flora Lewis

The complaints from business executives have not changed in a half-decade: the lack of a legal framework for doing business, corrupt bureaucracy, and government fiat that can vary from week to week.

Business leaders once felt that Hanoi's aging leadership would follow Beijing's model for development. A gradual transition to a free market would unfold as long as the

Correction

Two editorial columns that appeared April 1 were transmitted by the New York Times News Service with the bylines transposed. The commentary "The Trouble to Remove in Iraq Is Saddam Himself" was by A.M. Rosenthal, and the column entitled "This Isn't the Way to Help Russia" was by Thomas L. Friedman.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Zola's Appeal

PARIS — The Criminal Chamber of the Court of Cassation quashed the judgment of the Seine Assizes which condemned M. Emile Zola for the publication of the famous letter "J'accuse..." in the *Aurore*. The judgment points out that the law doesn't distinguish between civil, administrative or military tribunals. In a word, the Minister of War had no authority to bring an action against M. Zola, and the Public Prosecutor was without quality to bring such a prosecution before the Assizes.

secution of the Roman Catholic clergy in Russia is closely connected with political antagonism between Moscow and Warsaw. The Bolsheviks exploiting Russian resentment against the treatment of the Orthodox Church in Poland. Hatred of all religion is really at the bottom of all Soviet motives, affecting alike all forms of Christian doctrine.

1923: Prelate Slain

PARIS — Rumors about the execution of Mgr. Budkiewicz, a Pole who was sentenced to death by a Red court for resisting Soviet authority, were confirmed by reports received at the Vatican. The Pope is said to have been deeply affected. The per-

1948: U.S. Foreign Aid

WASHINGTON — Congress set the United States on its largest peace-time foreign spending program in history tonight (April 2) by approving the \$6,098,000,000 aid bill to spur world recovery and block the spread of Communism. The House and Senate swiftly approved the final version of the "single package" bill which provides aid for sixteen nations included in the European Recovery Program and for Greece, Turkey and China.

Herald Tribune
ESTABLISHED 1887
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen of the Board
KATHARINE P. DARROW, Vice Chairman
PETER C. GOLDMARK JR., Chairman and Chief Executive Officer
RICHARD WOOLDRIDGE, President and Chief Operating Officer
MICHAEL GETTLER, Executive Editor
• WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor
• KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors • SAMUEL ABT and CARL GEWIRTZ, Associate Editors • ROBERT J. DONAHUE, Editor of the Editorial Pages
• JONATHAN GAGE, Business and Finance Editor
• RENÉ BONDY, Senior Vice President and Chief Financial Officer
• DIDIER BRUN, Circulation Director
Directeur de la Publication: Richard McClean

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel: (1) 41.43.93.00. Fax: Subscriptions: (1) 41.43.92.10. Advertising: (1) 41.43.92.12. News: (1) 41.43.93.38.
Internet address: <http://www.ihb.com> E-Mail: ihb@ihb.com

Editor for Asia: Michael Richardson, 5 Convent Road, Singapore 119000 Tel: (65) 432-7768. Fax: (65) 274-2324
Mgr. Dir. Asia: Terry Damer, 30 Gloucester Rd., Hong Kong, Tel: 852-922-1188. Fax: 852-922-1190
Gen. Mgr. Germany: T. Schiller, Friedrichstr. 15, 10117 Frankfurt/M. Tel: +49 69 977594. Fax: +49 69 9775930
Pres. U.S.: Ann Binkhorst, 850 Third Ave., New York, N.Y. 10022. Tel: (212) 752-3800. Fax: (212) 753-8785
U.K. Advertising Office: 65 Long Acre, London WC2E. Tel: (171) 830-4802. Fax: (171) 240-2254
S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
©1998, International Herald Tribune. All rights reserved. ISSN: 0244-8822

Baja Bound, for Wild Kayaking or a Brief Respite



Mexico's Baja California peninsula is a land of heat and cold, where life begins at the water's edge. At the southernmost tip is bustling Cabo San Lucas, above right, and San Jose del Cabo, a more sedate Old World village.

By Phillip Sayre
New York Times Service

BAHIA DE LOS ANGELES, Mexico — For human interlopers in kayaks, some sort of wild entertainment is almost always at hand.

Mexico's Baja California peninsula is a contradictory land of heat and cold, sea and desert. The canyons are often more widely separated than trees on a New York street, and when the sun is up, almost nothing moves.

Even the rattlesnakes sleep in the shade of rocks, waiting for the night to relieve the heat as the temperatures fall 30 degrees Fahrenheit or more soon after the sun drops. It is a land of spines and sharp, of tumbled seaside rocks sharp as hatchets. Life begins at the water's edge.

That is where osprey, seagulls and cormorants congregate on the rocks, where rock lizards skitter ahead of one's steps on the small offshore islands. Gray whales swim from Alaska to the Pacific coast to have their young; many travel another 200 miles (320 kilometers) or more to the Gulf of California to feed before returning. For a person paddling a kayak, it means some sort of wild entertainment is not too far away, maybe a school of fish leaping out of the water as a shark feeds below, or a group of curious sea lions peering over the waves to observe the human interlopers.

Last April, I joined three others for a seven-day sea kayaking trip to the islands in the Gulf of California near Bahía de los Angeles, about a third of the way down the Baja's eastern coast. Our group was led by Florin Botezatu of Miramar Adventures in Seattle, an outfitter who leads expeditions in that area.

We were headed for the cabins of Camp Gecko in Bahía de los Angeles, where our outfitter had made his base. The dirt road to the beachfront camp was a torture test for shock absorbers, but it was also a sign that we had truly left civilization. While the cabins had toilets, and showers were available in a separate building, gone were the generators that provided electricity in the towns farther north.

We woke the next day with the sun, and our group got together with Botezatu for some instructions. Throughout the trip we used two-person sea kayaks that require the person in the rear to coordinate strokes with the person in front and to handle the rudder.

If one has no experience with sea kayaking, it can take some adjusting, but it is quickly learned. We had all had experience either canoeing or kayaking, so the lesson quickly covered the essentials of launching, steering and paddling, and we were soon on our way to Punta Arena, a spit of land with a lighthouse three or four miles away.

It was an easy run over tight swells. The sandy point had only a few straggling plants, but the beach was a good place to eat the sandwiches we had brought along.

As we headed back, a north wind came up at about 10 miles an hour with gusts nearly twice as strong, pushing us around as we paddled a mile back to Guillermo's Restaurant in the village and making for a choppy landing — not a good thing for our Fiberglas kayaks, which scratch easily.

The next morning we were off for four days and three nights of paddling

The kayak had grown from a dolphin into a whale, but once launched, the sea lifted it nicely.

and carping among two clusters of islands that began about three miles offshore and about four miles north of Punta Arena, where we had been the day before. The largest, Isla Coronado, was about six miles long and was dominated by the black hulk of an extinct volcano.

AS we put in about two miles north of the lighthouse at Punta Arena we staggered under the weight of the kayaks, which had grown from dolphins into whales with the addition of food, tents and about two gallons of fresh water for each person a day. But once the craft was launched, the sea water lifted it nicely.

We made a run of about five miles, circling from the southwest of Isla La Ventana to a cove on the western edge of the island in about three hours. An American couple was already camped there, but we decided to pitch our tents near some steep cliffs that cut off all wind from the north and east.

After hiking through the central bowl,

which was encircled by cliffs, spirits were high, and the meal of fish and rice that Botezatu prepared that night was outstanding. But everyone was asleep by 9 on a soothing mattress of sand.

ROUSTED EARLY That was for the best, because a radiant sun roused us at 6. We quickly gathered our gear and headed for Isla Coronado. Off to our right was an island that had been turned into a bird sanctuary and defied the dominance of tans and browns with a coat of white. At lunch on a rocky beach on the southwestern coast of Coronado, we came across seagulls with nests above the high tide line. The gulls allowed us to walk up to the nests and look at the eggs without any show of alarm.

We spent two nights on the eastern coast at the narrowest part of the island, not far from a camp set up by Mexican fishermen in a wave-hollowed rock and a pair of Americans who were expecting about half a dozen friends to show up for kayaking and snorkeling.

We portaged the kayaks with a minimum of equipment and put into the lagoon to circle the island, a trip of some nine miles that we accomplished in about five hours in the lighter kayaks. We spent the remaining hours of daylight in luxurious laziness on the beach.

If geography is fate, the Baja is both blessed and cursed. Being a desert means there is 10 inches of rain or less during a year in most areas. That adds up to fewer clouds and more sunny days than virtually anywhere else in the world.

The season for sea kayaking in Baja California runs from October through the end of May, when the summer makes it far too hot for such trips. Most outfitters offer expeditionary style trips that involve camping along the way, while others work from a base camp that allows individual day outings.

The trips include the provision of prepared food, usually by a guide who doubles as cook. In addition, virtually all outfitters include the cost of first and last night accommodations in their overall rates, which range from \$850 to \$1,800.

Here are some outfitters:
Baja Expeditions, 2625 Garnet Ave., San Diego, California 92109; (619) 581-3311 and (800) 843-6967.
Ecosummer Expeditions, 1516 Duranleau St., Vancouver, British Columbia, Canada V6H 3S4; (888) 499-0628.
Miramar Adventures, Post Office Box 12094, Seattle, Washington 98102; (800) 297-3111 and (206) 322-6559.

By Leslie Wayne
New York Times Service

LOS CABOS, Mexico — At the southernmost tip of the Baja California peninsula, where the Gulf of California meets the Pacific Ocean, is the fast-growing resort region of Los Cabos. Long a mecca for big-game fishermen, Los Cabos is about as far as one can go in Baja — it's more than 700 miles (1,120 kilometers) from the California border and at the bottom of a landmass known for an austere desert beauty. Yet burgeoning tourism is rapidly changing this corner of Mexico.

Already, many of the prime beach spots have been gobbled up by huge resorts with world-class golf courses, time-sharing condos and exotic Mayan- or Moorish-style hotels. But just beyond their guarded gates are soaring, rugged cliffs that plunge to the sea, a vast desert of subtle drama and two principal towns: Cabo San Lucas, with trendy shops and restaurants for tourists, at the tip of the peninsula, and San Jose del Cabo, 20 miles east, a more sedate, traditional Old World Mexican village.

Looking for a brief break, I booked lodgings at the Twin Dolphin, a small, elegant resort about seven miles from Cabo San Lucas, for four days last April. The hotel was created by the late David Halliburton Sr., an ecologist and oil millionaire who built it at the spot where he used to fish as a boy.

An architecturally dramatic white-on-white 50-room complex spread across a manicured 135-acre desert landscape, it has beaches on both sides, vistas of the shimmering blue Gulf of California (also known as the Sea of Cortes), desert views from every level of its terraces and a dark blue pool that overlooks rock outcroppings and more sea.

Our large room was pristine: white walls, white beds, a balcony with a postcard-perfect view of the sea and an out-sized gray-stone bathroom. Hotel amenities include four massage therapists, two tennis courts, an 18-hole putting green, exercise equipment and a two-mile jogging path and nature trail, along with access to a fishing fleet and scuba gear. In keeping with its ecological theme, the hotel's mission statement supporting the area's environment offers guests a "certificate of excellence" if they catch and release their big-game fish.

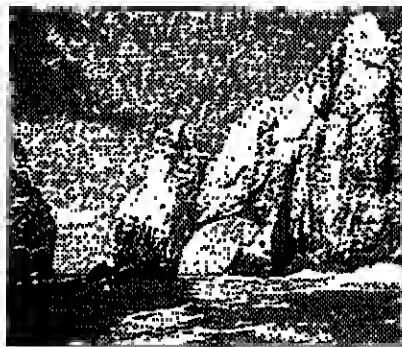
The town of Cabo San Lucas, a 15-minute cab drive (\$10) away, cannot

make such a claim for environmental sensitivity. Already, there are a Hard Rock Café, a Planet Hollywood and a strip of fraternity-style bars offering bucket-sized margaritas, tawdry shops and unstop development.

Offsetting the natural beauty are open-air bars built cheek by jowl, hawkers peddling tacky merchandise to bathers and jet skiers zipping around, with the sound of waves drowned out by their droning engines.

But farther into town, there are open-air markets and small stores selling a variety of crafts at reasonable prices.

The quality of Mexican handmade goods is quite high. Little shops offer



The cliffs at Cabo San Lucas.

beautiful silver jewelry at reasonable prices, starting at \$15 for pins and \$30 for bracelets and necklaces. Elsewhere, hand-made pewter trays, platters and picture frames can be found in the \$30 to \$100 range.

FOR dinner in Cabo San Lucas, Mi Casa was fine, a casual Mexican restaurant with colorful mural-covered walls, dozens of votive candles, a thatched roof and a strolling baritone.

For \$54, we had two huge margaritas and feasted on shrimp ceviche, corn tortillas, chicken mole and chilies stuffed with meat and flan. Another favorite was Casa Rafael's, which serves Continental cuisine in a Spanish colonial town house run by American expatriates.

Seated in a lush garden under the stars and warmed, on a surprisingly cool night, by space heaters, we dined on dorado paté and fish, chicken and meat entrees. Waiters wore white gloves; a Mexican quartet strolled among the diners.

The bar at the Hotel Cabo San Lucas, halfway between Cabo San Lucas and

San Jose, was a pleasant discovery. One of the oldest resorts in the area, the hotel has a jaw-dropping panoramic view, with water crashing against the rocks below. The dining room and bar, open on two sides, are on a promontory that juts into the sea. The bar's soaring ceilings and outdoor fireplaces reminded us of the great national park lodges in the West. But the hotel, built in the 1950s, is showing signs of age and neglect, with frayed furniture and decor.

One day, we rented a red Volkswagen Beetle from Dollar Rent-a-Car to go to the nearby town of Todos Santos, where American artists from Santa Fe and Santa Barbara have been attracted by the strong light, mountain air and desert climate.

WHITE-KNUCKLE RIDE The drive on the two-lane highway is a white-knuckle excursion on a road with no shoulders stretching through cactus-strewn desert and gentle rolling hills.

In Todos Santos, 50 miles north of Cabo San Lucas, dirt streets alternate with paved ones, and American expatriates have established a little community. We walked into the white-washed Moorish-style Church of Our Lady of the Pillar and the local museum, Museo de la Casa de Cultura, three blocks from the hotel, where we saw lovely Mexican murals, as well as many Indian skulls and the bones of the 3,000-year-old Mantancita man.

But, though the town offers a welcome dose of culture (there are classical music concerts and an English-language bookstore and newspaper) to Americans living in Los Cabos, we wondered whether it was worth the arduous trip.

Much more to our liking was San Jose, a 20-minute taxi ride (\$20) from the Twin Dolphin. We had dinner at Damiana, an old Mexican restaurant in a hacienda just off the tree-shaded town square. Seated in the bougainvillea-drenched garden, we ate marinated sea bass, rancheros shrimp and wonderfully seasoned Mexican vegetables for \$55, including drinks.

There was a fiesta in town that night, and on the square a band played in the fanciful white gazebo, while people danced on the plaza or sat listening to the music. We learned that it was a religious event — the Day of the Seminary. We wandered into a 19th-century church just as services were breaking up, and watched as parishioners poured out to join the festivities.

Something New and Old On the Paris Riverfront

By Patricia Wells
International Herald Tribune

PARIS — Some addresses seem destined for constant turnover, and 72 Quai de l'Hotel de Ville on the right bank of the Seine is certainly one of them.

In the past 15 years, the spot has hosted any number of successful chefs, at least two of whom (Georges Massart and Gilles Epie) packed their bags for America and never came back. One almost wonders whether the newest chef, David Feau, who took over the stoves last month at the Miraville, already has his papers in order for the journey across the Atlantic.

For Parisian diners' sake, one hopes that the young and boyish Feau will stay awhile, for his simple, sane, clear food is what we need more of in Paris.

CLASSIC BUT MODERN Feau's style appeals to jaded palates that want something classic with a modern touch. And while he is fresh from his chef's position at one of Guy Savoy's many Parisian bistros, his food is not just a copy of Savoy's signature cuisine. Feau might open with an offering of a mousse-like doriole, a small cylindrical mold of creamy foie gras and chicken livers, a silken, smooth and not-too-rich starter that is drizzled with a sweet caramel sauce, making your palate wonder whether it

is the beginning or the end of the meal. In truth, the sweetness is appealing, and a fine contrast to the rich acidity of the foie gras.

The 250-franc (\$40) menu might include a slightly bland first-course terrine of *jarret de veau* paired with a wonderful remoulade of red beets — slivers of beets tossed in a mayonnaise enriched with pickles, capers, onions, parsley and tarragon. The same menu offers a delightful *pinadeau en crapaudine*, a farm-fresh guinea hen split down the back, flattened and grilled, and served with a luxurious polenta. Other main courses include a classic roasted Bresse chicken, tender and delicious, set on a bed of *pommes boulangères*, extremely thinly sliced potatoes cooked in a dark, rich stock. When his food is good it is very, very good, and truly satisfying, making one realize that simplicity is never as easy as it looks.

With it all, try the 1995 Savignyles-Beaune, priced at 240 francs. The bread, alas, is dreadful. The olive bread is too soft and without character, and the tough, dried rolls are an embarrassment to an otherwise successful restaurant.

Miraville, 72 Quai de l'Hotel de Ville, Paris 4; tel: 01-42-74-72-22, fax: 01-42-74-67-55. Closed Saturday lunch and Sunday. Credit cards: American Express, Visa. 250-franc menu. A la carte, 300 francs a person, including service but not wine.

A Bath With a View: Hot Springs and Mount Fuji

By Miki Tanikawa

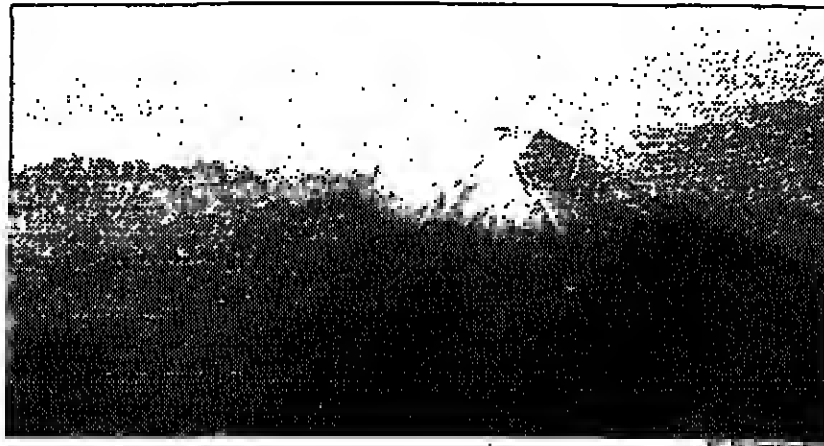
MOUNT FUJI, Japan — Since antiquity, viewing Mount Fuji, arguably the most beautiful Japanese mountain, has been considered a special privilege by the Japanese. Today's air pollution and view-blocking skyscrapers have limited this enjoyment largely to areas adjacent to Shizuoka prefecture, where the view of the mountain itself has tourism value. It is little wonder that a legion of hotels, inns and guest houses that dot the region have combined this delight with the most therapeutic Japanese pastime: *onsen*, or hot springs.

Or perhaps, Japanese find the view of Mount Fuji as therapeutic to the eye as *onsen* is to the body. And that may be why, at many inns and hotels here, the sight is available in public bathing areas, indoor or outdoor, and the feature is actively proclaimed in advertisements.

Nestled under Fuji's east end, the hotel Kaneyama-en offers a view of Fuji-san that is unobstructed. In a country where the sight of Fuji often adorns the walls of the living room in a woodblock print, *sumi-e* painting or photograph, a live window view of the legendary mountain adding a sharp figure against a clear, blue sky can be a distinct thrill. Most of the 130 or so rooms have that view, except the ground-floor rooms where a direct entry into a garden is an alternative attraction.

BACK TO THE PAST

Despite its decidedly modern looks from the outside, Kaneyama-en makes all attempts at setting modern-day guests back in time. The resounding notes of *koto* or Japanese harp, per-



Viewing Mount Fuji is considered a special privilege by the Japanese.

formed live, envelop guests as they enter the lobby during regular check-in hours (2:30-5:30 P.M.).

Beyond the cavernous lobby extends a vast Japanese garden where narrow paths in many directions guide strollers past streams, ponds, trees and an array of seasonal flowers like azalea, hydrangea and cherry. Along the way, you may drop by at *chashitsu*, the tea house, where guests may enjoy a tranquil moment as a kimono-clad tea master pours each guest the traditional *maccha*, whipped tea.

Kaneyama-en taps a spring that yields highly alkaline hot water that has curing effects for such ailments as high blood pressure and rheumatism. But the biggest prize in the hot-spring bath is Mount Fuji, which pops into view in the open-air sections of spacious public baths. (There are separate ones for men and women.)

The sight of Fuji comes with a lake view at Mifujien, where each of the 50 guest rooms commands a sweeping view of Fuji beyond the quiet waters of Lake

Kawaguchi. While the hotel offers no particular Japanese attraction other than the food, a special treat is the bathroom view. Through a giant window, the splendid, snow-capped peak of Fuji looms before the bathers soaking in a roomy tub. The crowd typically hits in the morning to see the dawn light reveal the full beauty of Japan's highest mountain.

WITH luck, visitors may see the picturesque *sakasa* Fuji, the reverse image of Fuji, on the untruffled surface of the lake, a condition that results only when there is perfect harmony between a clear sky and still water.

For dinner, curiosity-seekers may opt for *ba-sahi*, or sashimi of horse meat. A reservation is necessary to arrange for this local delicacy.

While internationalists are welcome, no English speaker is available at Mifujien. For English-language guidance, guests must stay at the nearby Kawa-

guchiko Daiichi hotel, where the angle on Fuji is somewhat nicer but the rates are slightly higher. The hotel, in fact, offers the ultimate luxury to Fuji fanatics: a private bathroom with a view of the mountain.

Local residents say that a springtime visit to the region can be refreshing, especially in May when the full blossom of cherry adds a decidedly spring flavor to the mountain air. Fuji opens to climbers in July, and Subaru line, one of the two main entry routes to the mountain, is relatively close both to Kaneyama-en and Lake Kawaguchi.

If mountain-viewing is not enough, visitors may seek modern thrills at Fujikyu Highland Park, a nearby amusement park. While Fuji's view is particularly alluring up on the famous roller coaster called Fuji-yama, riders are usually too busy screaming. The coaster can hit speeds of 130 kph (80 mph), the world's fastest, and gives the steepest dive, at 70 meters (230 feet), another global record. It's probably somewhat like falling off the top of Mount Fuji?

A quick lesson in Japanese: Mount Fuji in Japanese is *Fuji-san*, not *Fuji-yama*. The name of the roller coaster at Fujikyu Highland is a play on the foreign stereotype.

Kaneyama-en, Japanese-style rooms go for about 30,000 yen (\$225). Western-style rooms about 20,000 yen. Tel: 0555-22-3168.

Mifujien. Rooms start around 20,000 yen. Tel: 0555-72-1044.

Kawaguchiko Daiichi Hotel. About 13,000 yen a person. Tel: 0555-72-1162.

Fujikyu Highland Park Tel: 0555-23-2111.

Miki Tanikawa is a journalist based in Tokyo.

LEISURE

Holy Week in Rome:
You Won't Be AloneBy Celestine Bohlen
New York Times Service

ROME — Church bells, flower stalls bursting with color, markets offering fresh strawberries and asparagus, sidewalk dining, Baroque churches, Roman ruins.

Easter in Rome — it sounds like Heaven. But here's the glitch: If you are planning such a trip, remember that you will not be alone. Tourists have headed to the Eternal City for Holy Week for centuries, and their numbers continue to swell like the waters of the Tiber after a spring rain. (Yes, it can rain in Rome in the spring, and when it does, it pours).

Easter week is one of the busiest periods in Rome's year-round tourist season and while that is no reason to stay away, it is useful to know. Hotel prices are at their highest. Roman taxi drivers — some of nature's surliest creatures — reach the height of their (bad) form, while tour buses creep through the city like lumbering dinosaurs. Remember also that Easter Monday in Italy, as in most of Europe, is a holiday, called Pasquetta (Little Easter).

The best way to tackle Rome in this period is to avoid the crowds that will be thronging the Vatican, its museums and much of the city's historical center. Rome does have its quieter corners that while slightly off the main tourist routes, are not hard to get to.

One of these is the Aventine, one of the city's seven original hills where noble families built their villas in the last days of the empire. It rises up from the sloped embankments of the Circus Maximus to Santa Sabina, one of Rome's oldest and most beautiful churches, flanked by two lovely orange gardens.

There are also day trips outside Rome, to places where you can experience the sights and smells of an Italian spring — to Ostia Antica, the old Roman port city a half hour from the modern city, and the Appian Way, the ancient roadway that leads out of Rome and that is closed to automobile traffic on Sundays.

The outdoor Easter Mass in St. Peter's Square celebrated by Pope John Paul II takes place at 10:30 A.M. While all 20,000 seats are reserved, the Mass is televised live in Italy.

Rome has put together a program of concerts and exhibits for the period. On Easter Monday at 8:30 P.M., there will be a concert of Gregorian chant at the Basilica of Santa Maria in Araucoli, the church at the top of the steps next to the Capitoline, featuring the Choir of the Gregorian school of Padova. Admission is free; (39-6) 6779-8155.

Also on Easter Monday evening, a sound-and-light show will take place at Castel Sant'Angelo, the circular fortress by the Vatican. In its third year, the show will be visible from 8:30 to 11:30 P.M. from any point along the Tiber where the Archangel Michael can be seen standing guard atop the castle.

On the weekend before Easter, the National Academy of Santa Cecilia, Rome's symphony orchestra, will perform Beethoven's Ninth Symphony at its auditorium at 4 Via della Conciliazione, a few blocks from St. Peter's. The performances will be on Saturday at 7 P.M., and at 5:30 P.M. on April 5, Palm Sunday. On Good Friday, "St. John's Passion" by Bach will be performed at the same auditorium by the Athesian Chorus and La Compagnia dei Musici at 8:45 P.M. Tickets cost \$14.50 to \$38 (at the exchange rate of 1,720 lire to the dollar); (39-6) 6880-1044.

The minimalist sculpture of Lucio Fontana is highlighted in an exhibit opening Wednesday at the Palace of Exhibitions, 194 Via Nazionale. Another show there, opening April 22, will feature French and Italian art — with works by Picasso, Matisse, De Chirico and others. Both shows close June 22; (39-6) 488-5465.

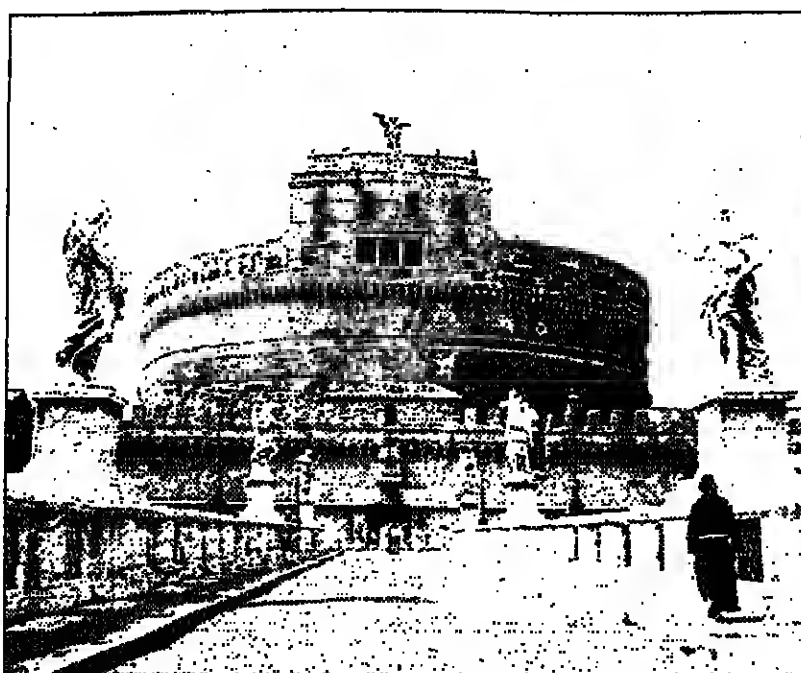
INTO THE RUINS

After a tour of the palatial ruins and gardens of the Palatine, a walk across the Circus Maximus and a steep climb up its southern embankment, you are already halfway up the Aventine — close enough to follow signs to Santa Sabina, San Alessio and Sant'Anselmo, the three churches that crown the hill.

Of these, Santa Sabina is the gem: a perfect example of a fifth-century basilica, full of light and space. The carved panels on the door to the left of the main entrance beneath the covered portico are also from the fifth century, including one of the oldest known representations of the Crucifixion.

Across the courtyard from Santa Sabina is a walled garden filled with gnarled orange trees and with a lookout offering a panorama of the city and its cupolas. For a cozier view, walk farther down the Via Santa Sabina to the Sovereign Order of Malta garden gate, and peek through the keyhole for a dead-centered glimpse of the cupola of St. Peter's, designed by Michelangelo.

An out-of-the-way museum in the same area is the so-called Art Center ACEA, at Centrale Montemartini, which opened last October at 106 Viale Ostiense with an extraordinary collection of 400 ancient sculptures taken from



Castel Sant'Angelo will hold a sound-and-light show on Easter Monday.

the basements of the Capitoline Museums, displayed in what was Rome's first electric power generating station.

In the museum's largest hall, visitors can climb a staircase and from both the second-floor bookshop and the third-floor cafeteria, look down at a large mosaic depicting a dramatic hunting scene. Admission: \$7; (39-6) 574-8030. To avoid crowds, it makes sense to stay in one of the several small hotels on the Aventine, which are moderately priced, quiet and have a certain character. The hotels are about a 10-minute walk to the Circo Massimo subway stop, and a quick taxi ride to the Ostiense rail station, on the direct line to Rome's international airport at Fiumicino.

The Hotel Sant'Anselmo, at 2 Piazza Anselmo on a tiny square behind the church of the same name, is an old villa with 24 rooms set off a central staircase. There are antiques in the hallways and stenciled flowers on the walls. A double is about \$155, breakfast included; (39-6) 5745-174, fax (39-6) 578-3604.

Slightly more expensive is the Domus Aventina, not far away at 11B Via di Santa Prisca. It was renovated three years ago, and now offers very modern rooms that are comfortable (if a bit uniform), many with little balconies overlooking a courtyard that belongs to the adjacent church. Doubles: \$175, breakfast included; (39-6) 574-6189.

One of Rome's very best hotels is the Eden, 49 Via Ludovico, where the rooms are luxurious, the bathrooms even more so and the roof terrace fabulous. Doubles from \$405, with breakfast; (39-6) 478-121, fax (39-6) 482-1584.

WHERE TO EAT Ristorante Monteverde, on the Piazza Monteverde at No. 22, is tiny, with about a half-dozen

tables set out in what looks like an elegant living room. It takes food seriously, offering interesting variations on the standard Roman fare. Dinner for two comes to about \$80 with a bottle of good Italian white (39-6) 686-1319. Not far away, at 8 Vicolo Monteverde, is Fashion Pizza, a cozy pizzeria with wooden beams and tables. The pies are made with the typically extra-thin Roman crust in a wood-burning oven and cost less than \$6 each; (39-6) 6880-7025.

NEAR the Pantheon is the justifiably well-known La Rosetta, at 8-9 Via della Rosetta, specializing in seafood. The Catalan-style lobster, served with tomatoes and red onion, is an exquisite first course, as are any of the seafood pastas, including one with scampi in basil sauce with black truffles. The bill for two, with wine and dessert, can be \$230; (39-6) 686-1002.

Rome's restaurant scene is generally stable, but new places do crop up, like the tiny Tartaruga, which opened in October at 53 Via del Monte della Farina, behind San Andrea della Valle on Corso Vittorio Emanuele II. There, the Limana family offers a menu that changes daily, with choices like the traditional Roman soup of fish and broccoli, fresh pasta and simple meat or fish dishes. Lunch for two with a bottle of wine is about \$50, dinner \$85; (39-6) 686-9473.

For another kind of experience, try the wine bar at Trimalchi, 37B Via Cernaia, where in a modern, stylish atmosphere, you can have a drink, inquire about English-language wine-tasting courses, or choose from a large menu that offers everything from pasta to quiche to steak. Dinner for two, with a bottle of wine from the large and varied list, is \$45 to \$60; (39-6) 446-8351.

What's in a Brand
In New York Fashion?By Suzy Menkes
International Herald Tribune

NEW YORK — American fashion is about the power of the mega-brand. But once the big guys have established a name and niche, what happens? For "brand" read "bland."

Ralph Lauren was the first of New York's design juggernauts to roll down the runway, and his fall collection was just what you would expect: simple pieces with a sporty twist. Although he had moved the location of his store downtown to the site of his future SoHo store, there was nothing edgy or "boyz-n-the-hood" about it — unless you count a booded track-top knit in upscale white cashmere. And cashmere cargo pants. Oh wow! Lauren even endorsed those street-smart, side-pocket pants by wearing them to take his bow.

"For me, it's about classic quality and individuality," said Lauren backstage. Yet the show seemed predictable, from the blonde manes tossed over ruffled necks in (wouldn't you know) cashmere, through urban pinstripes and country loden or tweed.

Since Lauren has often shown long hemlines, he did the season's look well: ankle-length skirts in a jeans version with back pockets or as a sexier bias cut. But long was just an option, among prim or prom-over-the-knee styles. The show was summed up by its soothing opening formula: Take a cream shirt and offer it with a variety of pants and skirts.

There were some fresh touches: a coat with its checks worked in sequins or alligator bomber jackets over long knitted dresses. The shapely jacket and bias-cut skirt made a new long-line suit. But to adopt the designer's sports metaphor, Lauren seemed to be jogging steadily along. No-sweat fashion.

"American sportswear? It's about re-inventing the wheel each season," said Michael Kors. But, of course he didn't. Instead he sent out a good, strong collection in primary colors — red, white, charcoal, navy — using abstract blocks to break up the sweaters, skirt and pants.

The result was streamlined architecture inspired by early modernism, executed in softly textured fabrics. That meant collars like the funnel of an ocean liner, crisp naval pea coats and linear knits, softened with double-face cashmere, furry felt and deep-pile chinchilla. A jaunty two-tone scarf would fly like a flag above a basic sweater and skirt.

It was impressive that Kors could show such a focused collection just two weeks after his hit show in Paris for



Ralph Lauren's fitted tweed jacket and bias-cut long skirt.

Celine. Nan Legaci, president of the French house, sitting front row, said sales had been "wonderful."

While most New York designers are trying to give a new spin to simple sportswear, some just dare to be different. Anna Sui's folkloric romp through American Indians to Lapland brought rich color, bold patterns and a sense of exuberant mischief. From the moment that a model stepped out in Eskimo boots, with a sleek fake-seal parka over an ethnic sweater and a bag shaped like a gingerbread house, the fashion audience started smiling. By the time a male model was astride a decorative hobbyhorse, the mood was upbeat.

From a multicultural peasant wardrobe, Sui extracted neat ideas for embellishment like studded skirts and fur-trimmed and trimming. It looked modern and funky rather than a rerun of the hippie trail.

NORMA KAMALI moved forward while looking back. To her signature 1940s jackets, parachute skirts and Victorian jet embroidery, the designer added fur skirts, in rabbit dyed like chinchilla. Ingenious knitwear that could be transformed by tying dangling jersey tubes managed to be inventive and sophisticated and to move American fashion out of the sports arena.

MOVIE GUIDE

THE NEWTON BOYS

Directed by Richard Linklater. U.S.

Richard Linklater all but defined a generation with "Slacker" and "Dazed and Confused." Those movies followed a subcategory of goofballs, eccentrics, bullies and other amusing figures drawn from the young, hip Austin, Texas, set. Understandably dissatisfied with being labeled as a Generation X filmmaker, Linklater has branched out into the big time with "The Newton Boys," a movie about "America's most successful bank robbers" (as the credits note), a real-life family of West Texas farm boys from the 1920s who hit more than 80 banks from Texas to Canada, killed nobody and managed to get out of the "business" with their lives intact. Nice idea, somewhat-lackluster execution. With Matthew McConaughey (an old hand in Linklater movies), Ethan Hawke, Skeet Ulrich and Vincent D'Onofrio, Linklater has assembled an engaging gang of boy-fans. But this time, the jokey, fraternal atmosphere that worked for his earlier films comes up short. The story is carefully outlined, but it's devoid of life. "The Newton Boys," which Linklater wrote with Claude Sussman and Clark Lee Walker, is pleasant but there are no dramatic peaks and valleys in this story line, just a uniform, dramatic flatness. The best part occurs during the end titles, when we see excerpts from in which the aged, real-life Newton boys Willis and Joe tell their stories. Willis yells defiantly



McConaughey in "Newton Boys."

from the porch of a rest home that he was justified in robbing, because the banks were robbing the farmers anyway. Joe, shown in a hilarious guest appearance on the Johnny Carson Show, warns would-be robbers not to play this fool's game. These few, charming moments seize your attention in ways that the preceding movie never did. (Desson Howe, WP)

MOUSE HUNT

Directed by Gore Verbinski. U.S.

The year's best performance by an actor with twitchy whiskers and a tail can be seen in "Mouse Hunt." DreamWorks' bright comedy about one shrewd rodent and two not so shrewd people. As the family film least insulting to its audience's intelligence this season, "Mouse Hunt" has its share of grown-up appeal along with mouse mischief guaranteed to have children giggling. Nathan Lane and Lee Evans, the rubber-faced English comedians with an uncanny resemblance to Alfred E. Neuman, are charmingly cast as this film's bumbling, latter-day Laurel and Hardy. Both are sons of Rudolf Smuntz, an important string-manufacturing magnate, played by William Hickey in his final performance. (The renowned actor and teacher died several weeks after completing his work here.) Rudolph leaves a run-down old mansion to be shared by his sons, Ernie (Lane) and Lars (Evans), who take the place is unoccupied. Big mistake. The house, the gloomy setting for an otherwise cheery film, is wrecked enough to accommodate plenty of vermin. But apparently its only resident is a mouse with a mission: bedeviling the Smuntzes. Thanks to top-flight visual trickery from an effects team led by Oscar winners from "Babe" and "Jurassic Park," the mouse shows off loads of personality while driving the Smuntzes through endless mishaps. But happily, it hasn't got a mean bone anywhere. (Janet Maslin, NYT)

CROSSWORD

- ACROSS**
- 1 Policeman, in slang
 - 2 Hair style
 - 3 Baseball
 - 4 Chekhov play, with "The"
 - 5 Acts of kindness
 - 6 Concern for some losers
 - 7 Underestimate, e.g.
 - 8 C.P.A.'s request
 - 9 Literary monogram
 - 10 Eye opening, maybe
 - 11 Binges
 - 12 Scapegoat
 - 13 Looks at
 - 14 Bit of reverse English?
 - 15 Gay city
 - 16 Not allresco
 - 17 Line position
 - 18 Dined
 - 19 Interested party
 - 20 Devious ones
 - 21 Deal prerequisites
 - 22 Hors d'oeuvre item
 - 23 Oedipus, in the end
 - 24 Work area
 - 25 Kind of discussion
 - 26 Unfeigned
 - 27 More, to Mehta
 - 28 Check
 - 29 Old Ford model
 - 30 Privately, and to be kept private
 - 31 Detail
 - 32 Some diecimnators
 - 33 Carpenter, at times
 - 34 The socially lost
 - 35 Make ready for use
 - 36 Came down pretty hard
 - 37 Short dog, for short
 - 38 Surrogate partner
 - 39 Classic clue
 - 40 Gliding ballroom dance
 - 41 Be on deck
 - 42 Cadenzas, e.g.
 - 43 Call
 - 44 Mds.
 - 45 They split hairs
 - 46 Volga outlet
 - 47 Rattle
 - 48 Less daunted
 - 49 Diver's need
 - 50 Petcocks
 - 51 Grounds-keeping apparatuses
 - 52 Fade away
 - 53 Announce
 - 54 Keep from happening
 - 55 Big name in oil
 - 56 Emollient
 - 57 Back
 - 58 Encourage
 - 59 Reflect brilliantly

- DOWN**
- 1 Son of Mary Stuart
 - 2 College that pioneered in coeducation
 - 3 Slapdash
 - 4 Press, advisory G.P.
 - 5 Year Trajan was born
 - 6 Keep from happening
 - 7 Big name in oil
 - 8 Emollient
 - 9 Back
 - 10 Encourage
 - 11 Reflect brilliantly
 - 12 Son of Mary Stuart
 - 13 College that pioneered in coeducation
 - 14 Slapdash
 - 15 Press, advisory G.P.
 - 16 Year Trajan was born
 - 17 Keep from happening
 - 18 Big name in oil
 - 19 Emollient
 - 20 Back
 - 21 Encourage
 - 22 Reflect brilliantly

Solution to Puzzle of April 2

ALIBABA ARABIAN
CARRIAGE ARABIAN
ONEARMED BANDIT
WIDEARMED BANDIT
ADHERER

ABARRAR
CARRIAGE ARABIAN
ONEARMED BANDIT
WIDEARMED BANDIT
ADHERER

ABARRAR
CARRIAGE ARABIAN
ONEARMED BANDIT
WIDEARMED BANDIT
ADHERER

ABARRAR
CARRIAGE ARABIAN
ONEARMED BANDIT
WIDEARMED BANDIT
ADHERER

ARTS GUIDE

AUSTRIA

VIENNA
"Elisabeth: Eternal Beauty." Three exhibitions (to February 1999) celebrate Emperor Franz Joseph's wife 100 years after her death: Schoenbrunn Palace, tel: (1) 811-1320, open daily. Covers the period of Sissy's youth and her early married years. The exhibits document the empress's daily life. Hofburg, tel: (1) 533-7570, open daily. Focuses on Elisabeth in her role as a public figure, caught in the tensions that arose between the expectations placed on her as the wife of the emperor and her needs for her private and family life. Hermes Villa, tel: (1) 804-1324, closed Mondays. Poetry written by Sissy to reflect the image of a dreamy monarch, but also an egoistic and sarcastic one. <http://info.wien.at/>

BELGIUM

BRUSSELS
Musée d'Art Ancien, tel: (2) 508-3211, closed Mondays. Continuing to June 28: "Rene Magritte," 200 paintings, gouaches, drawings and objects by the Belgian Surrealist (1898-1967).

BRITAIN

LONDON
Tate Gallery, tel: (171) 887-8000, open daily. Continuing to May 17: "Bonnard." Nearly 100 paintings by the French artist (1867-1947). The works include landscapes, still lifes, interiors, the celebrated bathroom pictures and self-portraits. Albert Museum, tel: (171) 938-8348, open daily. To July 26: "The Power of the Poster." From Toulouse-Lautrec to the Wonderbra, the exhibition displays some of the best reflections of the social trends of the past 120 years. It is divided into three sections: Pleasure & Leisure, Protest & Propaganda and Commerce & Communication. www.vam.ac.uk

CHINA

BEIJING
Longevity Pavilion, Palace Museum at the Forbidden City, tel: (86) 10-651-32-244. To May 15: "Heavenly Horses." A selection of objects that reflect the evolution of the horse in China. From the depictions of the first domesticated horses of the Neolithic period, to the paintings of the Ming and Qing dynasties, the exhibits attest to the veneration of the Chinese horseman for his steed.

FRANCE

PARIS
Hotel de Ville, tel: 01-42-78-40-65, closed Mondays. To June 28: "Mama Cailles: Une femme, Une Voeux, Un Mythe." Documents, letters, stage accessories and opera costumes open the door to the Calais mythology. Paintings and objects collected by the diva and kept in her Paris and Verona apartments are included. Musée Marmottan, tel: 01-42-24-07-02, closed Mondays. Prolonged to July 15: "Berthe Mor-

GERMANY

COLOGNE
Museum für Ostasiatische Kunst, tel: (221) 940-5180, closed Mondays. To April 28: "Haiku und Haiga: Kurzgedichte und Skizzen von Takebe Socho, 1761-1814." Documents a form of Japanese art that brings poetry, calligraphy and painting into one work that is the spontaneous visual expression of haiku. The exhibition offers 80 works by Takebe Socho, a master of the Haiga art in the late Edo period.

ITALY

BERGAMO
Accademia Carrara, tel: (35) 38-96-40. To June 28: "Lorenzo Lotto." A retrospective of the works of the Venetian Renaissance master Lorenzo Lotto (c. 1480-1556). The exhibition presents 50 paintings in the genres that Lotto favored, such as devotional works, altarpieces and portraits. The works will travel to Paris.

JAPAN

PHILADELPHIA
Philadelphia Museum of Art, tel: (215) 684-7860, closed Mondays and holidays. To May 31: "Recognizing Van Eyck." A small selection of works by the Flemish painter Jan van Eyck (c. 1390-1441). The paintings are renowned for their realism and mastery of oil painting, and the painter was long credited with having invented the technique. <http://pma.library.museum.org>

SPAIN

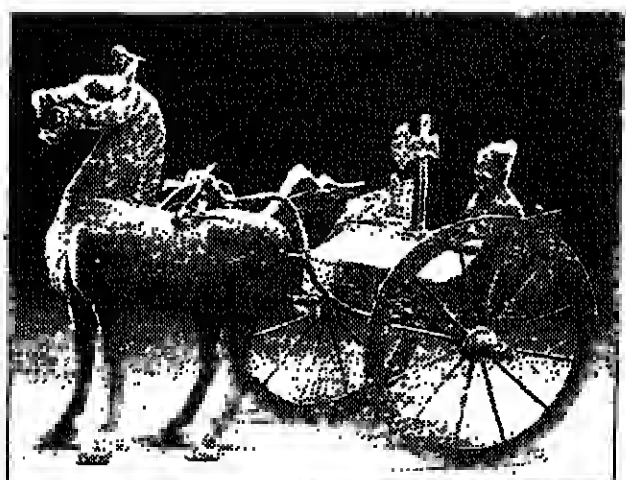
VALENCIA
IVAM Centro Julio Gonzalez, tel: (9) 386-3000, closed Mondays. To June 14: "Paul Klee." Brings together more than 130 works by the Swiss-born painter (1879-1940). Klee's early works were mainly black-and-white drawings and engravings; he later evolved from monochromatism to color, first with watercolors, then with oils after World War I. The exhibition will travel to Madrid.

SWITZERLAND

LUGANO
Museo Cantonale d'Arte, tel: (91) 922-94-80, closed Mondays. To June 21: "Rabbits: The Grotesque in 18th-Century Art." Explores the production of grotesques in Milan in the second half of the 18th century, culminating with Vincenzo Campi's and Arcimboldi's works. Also features contemporary crystal pieces, embroideries and medallions that made Milan famous in the courts of Europe.

UNITED STATES

NEW YORK
Solomon R. Guggenheim Museum, tel: (212) 423-3840, closed



Celebration of the horse at the Forbidden City, Beijing.

Thursdays, and Guggenheim Museum SoHo, tel: (212) 423-3840, closed Mondays and Tuesdays. Continuing to May 25: "China: 5,000 Years." Several hundred artifacts ranging in date from 3000 B.C. to the modern era. www.nga.gov

CLOSING SOON

April 5: "Serge Poliakoff: Retrospective." Kunststiftung Museum, Vienna.
April 5: "Henri Cartier-Bresson: Europeans." Hayward Gallery, London.
April 5: "Francis Bacon: The Human Body." Hayward Gallery, London.
April 5: "Utagawa Kuniyoshi, 1798-1861: Prints and Paintings." Van Gogh Museum, Amsterdam.
April 5: "Masters of Light: Dutch Painters in Utrecht During the Golden Age, 1650-1700." Walters Art Gallery, Baltimore.

Weekender Plus
SPRING BREAKS

Great value weekend breaks
across Europe and further afield
245 hotels - 169 destinations
1 March - 30 September 1998

From only **\$53*** per room per night
Breakfast included
*available at 13 hotels

FOR RESERVATION AND FURTHER INFORMATION CALL:
UK 0800 897 121, Germany 0130 81 51 31, France 0800 905 999,
Belgium 0800 1 99 77, Netherlands 0800 022 11 55,
Italy 1676 77 399, Spain 900 99 31 19, Switzerland 0800 55 11 75.
From all other countries: (NL) +31 20 606 02 22 (not toll-free).

INTERNATIONAL

Off Sicily, a Lucky Fishing Boat Strikes Ancient Bronze Again

By Celestine Bohlen
New York Times Service

MAZARA DEL VALLO, Sicily — First, there was a leg — a left leg, bent at the knee, made of bronze — brought up from the sea in a fishing net last June and even more unexpected, delivered safely to the Civic Museum of this port town on Sicily's southwestern coast.

Afterward, whenever Francesco Adragna and his crew on the Capitan Ciccio went back to the same fishing grounds about 80 kilometers (50 miles) out to sea, they wondered what else lay on the bottom 445 meters (1,455 feet) below.

"It was a thought that was always at the back of my mind," said Mr. Adragna, who at 43 has spent three-quarters of his life fishing the Mediterranean. "I started to fantasize, to dream — what if I get it, what if it lands in my net."

On the cold afternoon of March 3, the crew of the Capitan Ciccio was lucky

again. Its nets snagged another mysterious object, which this time turned out to be much of the rest of a beguiling creature: larger than life, eyes wide open, hair flung back, shown halfway through an exuberant piquette.

"We were all in awe," Mr. Adragna said, recalling his first glimpse of the statue's wide face with its snub nose, its white eyes of either bone or ivory, its shock of short wavy hair and, barely visible through the mud and the barnacles that had tucked into the crevices, the tips of its pointed ears.

The archaeological experts who rushed that night to greet the fishing boat, after he radioed ahead, say the figure — which is missing its feet, its arms and its right leg — is most likely Greek, from the third or fourth century B.C., and it probably represents a Dionysian satyr in mid-dance, rather than Eolo, the god of the wind, which has

been the guess of some in the Italian press.

For Italy's cultural authorities, the discovery of this statue was as close to a miracle as they ever imagined they would get.

"These things don't happen every

Experts say the figure probably represents a Dionysian satyr.

day," said Rosalia Camerata Scovazzo, superintendent of cultural affairs for western Sicily, who was there the night of March 3 to greet the statue at the pier. "It is unique because it is so very beautiful. It is more than the usual clay jug."

Cultural Minister Walter Veltroni, who flew down from Rome for a look, quickly announced that the statue, once restored, would be on permanent exhibit here in Mazara despite rival claims from

the nearby island of Pantelleria, which insists that the statue's resting place for the last 2,000 years was closer to its shores than to Sicily's.

In fact, the statue was found in international waters — where by law, finders can be keepers. Technically, Mr. Adragna could have kept it for himself, though some members of his crew had suggested it was so much better that he should throw the leg back in the water. He could have sold it on the lucrative black market in antiquities.

Instead, he will receive a finder's fee — a percentage of the statue's value, still undetermined.

After the discovery last summer of a trove of Roman shipwrecks in the Sicilian channel by an American explorer, Robert Ballard, the Italian authorities have become even more anxious about what might lie beyond their territorial waters and more eager to be the first to lay a claim.

The discovery of the leg had been a badly kept secret. And some here had already been afraid that Mr. Ballard, discoverer of the wrecks of the Titanic and the Bismarck, could at any moment head for the area to try to find the rest of the statue.

As it is, there is a long list of ancient statues found off the Italian coast that have made their way into foreign museums, including an Apollo found off Pionhino on the Tuscan coast in 1895 that is now in the Louvre, and the Athlete attributed to Lysippos, which emerged from the sea 30 years ago and is now in the Getty Museum in California.

Italy has enough of a problem chasing down the archaeological relics stolen from its soil without worrying about artifacts found in international waters. But the discovery of the statue's leg last June did spur cultural authorities to seek a formal accord with the Italian Navy for exploration purposes, in particular for the



Map showing the location of the discovery off the coast of Sicily, near Mazara del Vallo.

use of its nuclear-powered submarines. Mr. Ballard, whose expeditions have access to assistance from the U.S. Navy's NR1 nuclear submarine, is able to explore at depths of 3,000 feet.

"Either we equip ourselves like Ballard, or else they will become the archaeologists of the 21st century," Giuliano Volpe, a professor and spokesman for Italy's Underwater Archaeological Association, said in a recent interview in the newspaper La Stampa.

But no Italian submarine had yet been sent out on a mission to seek the statue when the Capitan Ciccio (or Captain Fatso) went on its usual weekend mission in search of shrimp, octopus and cod and came away with the statue.

Now many worry that Italy may miss its next boat as well, since the worldwide publicity about the discovery of the statue is sure to bring out treasure hunters to scour the sea floor for other objects that might have been on the ship with the dancing satyr.

For the moment, the satyr is lying at the bottom of a tub of fresh water, on the ground floor of a former Jesuit seminary where from 8 A.M. to 8 P.M. daily it has been receiving its first visitors — thousands of them. The water is drained and replaced daily to speed up the desalting process that is essential if the satyr is to be restored to good condition.

The last major find by Italian fishermen was in 1972, when two bronze statues, virtually intact, were pulled from the waters of Riace, along the coast of Calabria in the Ionian Sea. The magnificent statues, now on display at the Museum of Reggio Calabria, were painstakingly restored in the early 1990s with advanced laser techniques and other methods borrowed from high-tech medicine.

The same kind of treatment is in store for the dancing satyr, said Luigi Lentini, a top state archaeological restorer who is one of the first to examine the statue.

"It is not in very good health," he said. "The corrosion is much worse than it was on the Riace bronzes. It faces very serious problems, but we are very fortunate that it landed safely in the net."

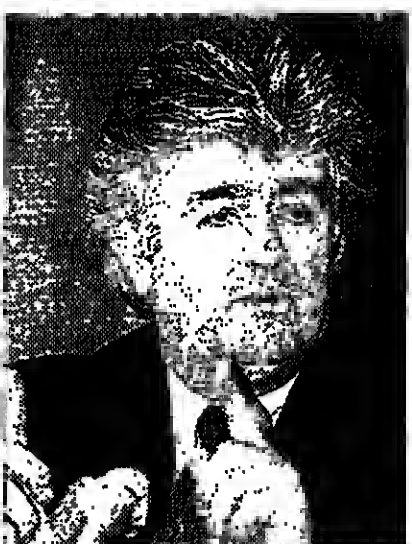
NATO's Entry Unsettles Bosnian Serb Stronghold

But Visit to Karadzic's Village Is Called Routine

Compiled by Our Staff From Dispatches

PALE, Bosnia-Herzegovina — Hundreds of NATO soldiers and about 50 armored personnel carriers on Thursday swarmed around the house and offices here of Radovan Karadzic, the former Serbian political leader who is Bosnia's top war crimes suspect.

NATO officials in Sarajevo insisted



Radovan Karadzic, the Bosnian Serb who is accused of war crimes.

that the huge military presence in Pale, a former skiing village east of Sarajevo, was part of a routine inspection.

But Pale residents said that the presence was heavier than usual during such inspections.

"I think they're putting us under occupation," said an 18-year-old woman, who like other Pale inhabitants declined to give her name.

"This is bringing uncertainty to the people," she said. "I don't know what they are doing, but I don't feel safe when I see all this."

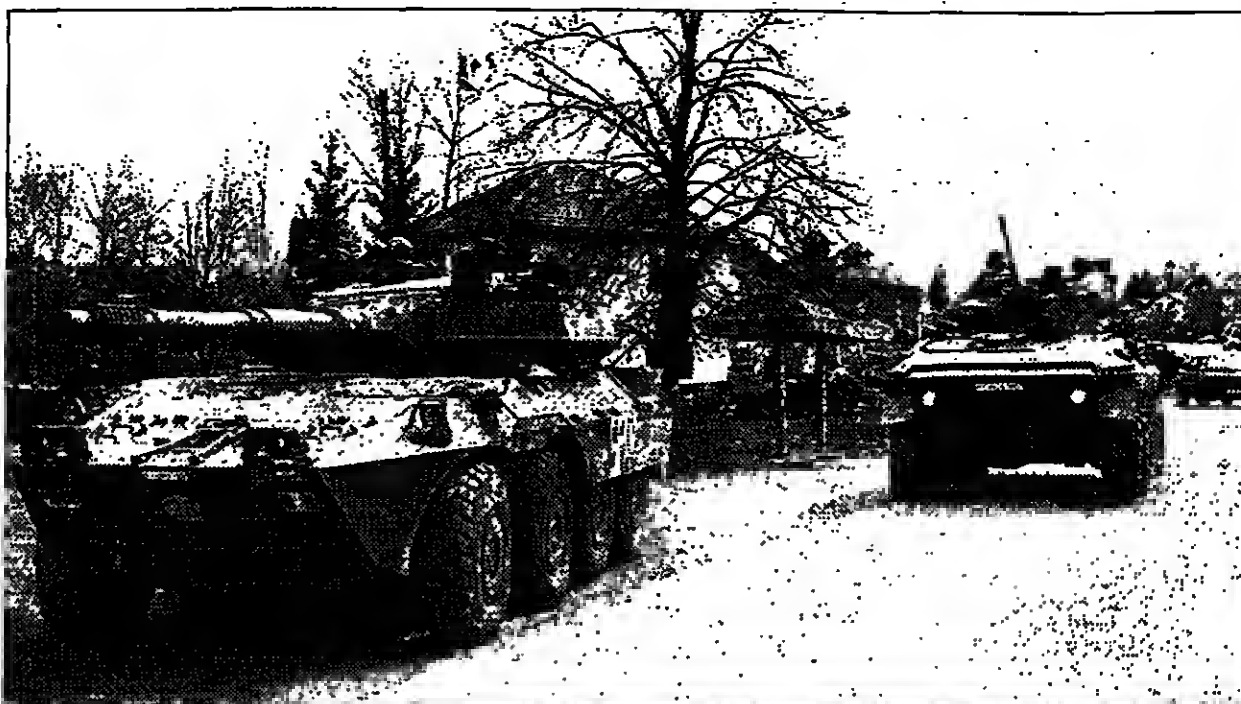
The residents of Pale were startled when troops roared into town under a brilliant sun, riding in dozens of armored personnel carriers, with helicopters overhead.

About 300 Italian troops from the NATO-led peacekeeping force for Bosnia were taking part in the operation, along with about 50 Germans.

NATO officials said the Italians were deployed around Bosnian Serb government buildings in Pale to inspect the work of units of the Bosnian Serb special police as called for under the Dayton accord that ended the 1992-95 war.

The German troops reinforced the Italians in the afternoon with heavy vehicles, blocking the mountain village and Bosnian Serb hard-line headquarters.

Most of the NATO vehicles were



Italian armored vehicles patrolling Pale on Thursday during what NATO said was a routine inspection.

parked at crossroads late Thursday afternoon, with small groups patrolling.

Speculation that NATO was trying to arrest Mr. Karadzic, who is believed to be still living in Pale — although not necessarily in his well-guarded house — quickly spread among residents of both Pale and Sarajevo.

The NATO forces are authorized to arrest persons indicted as war criminals when they encounter them in the course of their duties, according to NATO commanders. (AP, AFP)

Yugoslavia Denounces UN

Yugoslavia on Thursday assailed a new UN arms embargo imposed to stem violence in its mainly ethnic Albanian province of Kosovo as "unfounded" and unacceptable interference in its affairs. Reuters reported from Belgrade.

"The resolution is completely unfounded and sets a precedent in the sense that the internal affairs of a country were debated without that country's consent," the Foreign Ministry said in a

statement published in the pro-government newspaper Politika.

The UN Security Council on Tuesday voted, 14 to 0, with China abstaining, for the embargo in a resolution broadly echoing demands by the Contact Group of six major powers last month.

The Contact Group threatened to tighten financial sanctions against Belgrade in a month if Yugoslavia's president, Slobodan Milosevic, did not make serious moves to restore regional autonomy to Kosovo.

JAPAN: Recession Fears Echo Across Asia

Continued from Page 1

quickly here," said Andrew Shipley, economist at Schroders Japan Ltd. "The economy is no longer creating jobs."

He added: "The party's over. Unemployment will rise sharply, consumer sentiment is not going to rebound. There is really nothing here to suggest the economy is bottoming out."

Employment fell in February by 0.1 percent, compared with the same period a year before. With wages and consumer spending heading downward as well, the government has a tough challenge in trying to lure people into the stores to buy goods.

In the tankan report, business confidence fell to a four-year low, as corporations conveyed a bleak outlook, indicating they would invest less in big projects and turn in weaker profits this year.

Wholesale prices are dropping, too, and some economists worry that Japan could be entering a deflationary spiral in which overall prices and demand drop.

American and other foreign officials have been calling upon Japan to accelerate growth by stimulating domestic demand, and the government has said it will push through a \$120 billion package aimed at jump-starting the economy. But it has not yet released details of the package, and some economists doubt that its contents will be enough to turn around the pessimistic sentiment in Japan.

The currency, bond and stock markets have also been jittery. Investors dumped stocks Thursday, though the government has tried repeatedly to lift the Tokyo stock market, both by talking it up with hints at government spending and by propping it up with public money. The benchmark Nikkei Average 225 fell 538.76 points, to 15,702.90, for its biggest single-day loss this year, and prompted selling sprees around the region. In Hong Kong, the Hang Seng index fell 1.25 percent, and in

Seoul, the index plunged 3.11 percent, to a three-month low. Share prices also fell in the Philippines, Malaysia and Singapore.

Japan has been trying to revive its slumbering economy for more than seven years, but its efforts have met with greater difficulties since the spring of 1997 when the government decided to pursue a policy of fiscal austerity and raised a sales tax, cut public spending and suspended tax breaks.

Confidence in the economy was also dealt a blow last autumn after four financial institutions were shut down, putting the spotlight on the nation's banking crisis. Japan's banks are burdened by more than \$600 billion in bad or doubtful debt.

In a notably critical assessment of the Japanese financial authorities, Moody's Investors Service said Japan did not seem to have even reached a crisis point that would bring about a shake-out and then a recovery in the financial industry.

"An unhealthy banking system will at best retard economic activity, and at worst it will threaten financial stability," said Christopher Mahoney, managing director, in a report issued this week by Moody's. "It is fair to say that Japan's banking system is doing both."

Executive Warns Foreign Critics

A senior Japanese business leader warned foreign critics Thursday not to "push us too far," as he vigorously defended his country's efforts to bolster its slumping economy and help Asia, Agence France-Press reported.

"You can use friendly persuasion vis-a-vis Japan — that is welcome because we may be short on wisdom," said Kazuo Nukazawa, senior managing director of the country's most powerful business group, the Keidanren.

"But do not try to humiliate a country into action, especially when a country is your ally," he said.



Prime Minister Ryutaro Hashimoto of Japan and his wife, Kumiko, waving to well-wishers Thursday as they boarded a plane at Tokyo's Haneda airport to take them to the Asia-Europe Meeting in London.

BANK: Asia Dents Europe's Blue-Chips

Continued from Page 1

Meanwhile, Heinrich von Pierer, chief executive of Siemens AG, said Asia's turbulence had caused even greater difficulties than the German electronics company previously estimated.

"We will not get all we expected" from Asia, Mr. von Pierer said in a newspaper interview. Without disclosing exact figures, Siemens said it had also been forced to set aside higher provisions for losses and bad debts in Asia.

Like most German and other European multinational companies, Siemens and Deutsche Bank are adhering to their commitments in Asia, saying their strategy and investments remained unchanged despite the turmoil.

Mr. Breuer of Deutsche Bank called Asia "a market of the future from which we do not want to withdraw." He said, "We do not see the crisis of the past few months as a fundamental deviation from the growth path in this region."

Reflecting corporate Europe's long-term commitment, the large Swiss-Swedish engineering group ABB Asea Brown Boveri Ltd. expects to triple income from Asia by 2002/2003, ABB's chief executive, Goran Lindahl, said Thursday. And while it cuts thousands of jobs in Western Europe and North America, ABB plans to increase staff in Asia and other growth markets in coming years, Mr. Lindahl said.

In Frankfurt, Mr. Breuer said the bank also faced difficulties in its own organization that had prompted a costly restructuring. Deutsche Bank took an additional 2.5 billion DM charge for a restructuring, with 1.8 billion DM of that sum earmarked to cover severance packages for the 8,600 employees whose jobs the company plans to eliminate over the next three years.

The bank's 1997 report revealed an embarrassing weakness in its struggling investment-banking operations. Earnings plunged 13 percent last year to 777 million DM in the division — even though the German parent bank has devoted an estimated 6 billion DM to new hires and acquisitions in the past three years in a costly expansion to propel its investment bank, currently called Deutsche Morgan Grenfell, into the ranks of the top global players.

To compensate for its own unsuccessful efforts to break into the top ranks, industry analysts and bankers at rival financial addresses in Frankfurt said they believed Deutsche Bank was holding talks with New York-based J.P. Morgan & Co. about a merger.

Without commenting directly on potential merger partners or acquisitions, Mr. Breuer said, "The U.S. market plays an important role in Deutsche Bank's strategic thinking."

Deutsche Bank also disclosed it might consider buying a stake in Credit Lyonnais SA, the troubled French banking concern, in its drive to establish a presence across Europe ahead of the introduction of a common European currency next year. "If a privatization is established on interesting terms, I could

certainly imagine that we would take a stake," Mr. Breuer said.

Conditions for any privatization, however, remain unclear. The French government, the French bank's majority shareholder, has been fending with the European Commission in Brussels over French state aid to the bank.

Fighting to acquire a foothold in the French market has proven difficult because the French government has made it difficult for non-French buyers of the nation's "financial crown jewels," Mr. Breuer said.

"The situation is difficult" with the French authorities, said Mr. Breuer, adding that he foresaw "a long road" before Deutsche Bank could claim success in establishing a presence in France. Outlining the bank's restructuring, Deutsche Bank said it would shed about 4,600 jobs in Germany and almost 4,000 abroad over the next three years. It also plans to merge 200 of its present 1,450 branches with larger and more efficient units close to them.

By 2001, Mr. Breuer aims to raise the bank's operating profit to 9 billion DM from 4.25 billion DM last year. Operating profit in the restructured investment banking division should almost triple in the next three years, to 2.9 billion DM, he said.

Chunnel to Create Own Fire Brigade

Reuters

LONDON — The Channel Tunnel operator, Eurotunnel, said Thursday that it planned to create its own fire brigade, which would deal with emergencies in the tunnel beginning in 2001. The decision comes in the aftermath of a huge fire inside the tunnel in November 1996 that caused £200 million (\$335 million) of damage.

A spokeswoman for Eurotunnel, Michele Fox, said the company had given notice to local British and French fire brigades that they would not be needed to provide immediate emergency aid inside the tunnel. The notice period is three years.

"This is to ensure that a rapid and effective response to any incident is guaranteed at all times," she said. "There will be full consultation process with all parties involved."

She said the proposal to create separate fire brigade was contained in a report by British and French experts commissioned after the 1996 fire, which French investigators believe was caused by arson.

"Under the proposals, the first line of response will be provided by firefighters employed directly by Eurotunnel and the second line of response will continue to be provided by Kent Fire Brigade and the French fire brigade who will attend incidents as they do now," Mrs. Fox said.

EURO: Single Currency Clears Hurdle as Germany's High Court Dismisses Challenge

Continued from Page 1

to cheaper-wage areas of the euro-zone.

"I have absolutely no understanding for this statement," Mr. Kohl said, referring to Mr. Schroeder's remark about the euro's prospective birthing pains. "Anyone who is seeking the office of chancellor and then makes such populist claims disqualifies himself."

Ignoring opinion polls that show two-thirds of the German people are dismayed about abandoning their cherished marks in favor of the untested euro, Mr. Kohl emphasized how he hoped to defeat Mr. Schroeder in national elections in September by convincing voters that only he possessed the confidence to succeed in carrying out what many economists describe as a daring gamble.

Mr. Kohl recalled how the Social Democrats and their party chairman, Oskar Lafontaine, who ran unsuccessfully against Mr. Kohl in the 1990 campaign,

battled against his decision eight years ago to press ahead immediately with German unity after the collapse of the Soviet empire.

"At that time, there were doubting Thomases and alarmists who tried to stop me," Mr. Kohl said. "It is largely the same people today who are spreading propaganda against Economic and Monetary Union. But as with German unity, we will not let such naysayers distract us."

Since Germany became Europe's largest nation with 80 million people, Mr. Kohl has said his abiding political mission is to anchor his country at the heart of a unified Europe. He sees monetary union as a dynamic impetus toward that goal, which he often says could spell the difference between war and peace for Europe in the next century.

But Euroskepticism within Germany has been growing. Germans are apprehensive about opening their borders, which they fear will encourage an influx

of criminals and indigent foreigners. Even Mr. Kohl's own government has balked at accepting more majority voting to break the paralysis in EU decision-making councils.

Most of all, Germany's respected central bank, the Bundesbank, has barely concealed its disdain for monetary union — a step that will cost its members their jobs and their clout. With the beginning of the euro, the Bundesbank's power to set interest rates will be transferred to a new European central bank in which Germany will have only one representative.

A Bundesbank report on monetary union, while saying it should go ahead, warned there was not enough convergence among most European economies to ensure stability. Reimut Jochimsen, a leading Bundesbank member, said accepting high-debt nations such as Italy and Belgium could spell disaster for a single currency.

"This is a high-risk venture," he said.

"People have termed it an adventure, an experiment. It has never happened in human history before that nations organize such a currency union without a complementary political structure in place to actually bear responsibilities."

Concession of Defeat

One of the academics who brought the suit challenging the single currency conceded there was now no hope of stopping EMU in court, Reuters reported.

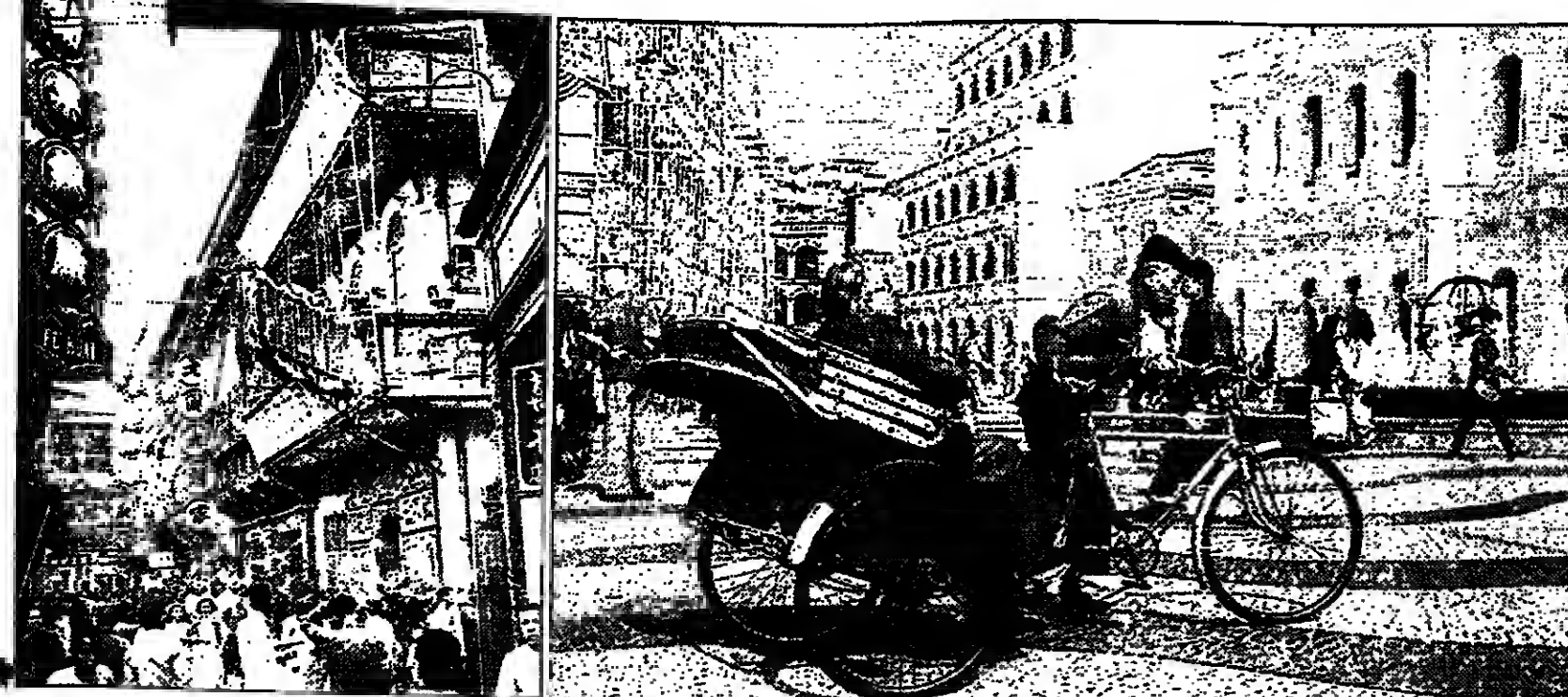
But the academic, Karl Albrecht Schachtschneider, a law professor at the University of Nuremberg, lashed out at the judges' ruling, saying it was "highly political and opportunistic."

He also said the court had abdicated its responsibility to protect the basic rights of Germans.

"We have lost an important piece of legal protection," Mr. Schachtschneider said. "Germany is no longer a law-based state."

FRIDAY, APRIL 3, 1998

PAGE 13



From this typical street scene in 1962, left, much of Macau has been developed in an open, high-rise way that caters to tourists and visiting gamblers.

Wild-West Macau Is Hoping to Hang Up Its Guns

By Philip Segal
Special to the Herald Tribune

MACAU — "Don't be afraid," the woman at the government tourist office assures callers. There is "no problem for the tourists."

She is right. The problem in this Portuguese colony is for law enforcement officials, who are the targets in a resurgence of killings that have been laid to organized crime.

A gunman killed Macau's third-ranking gambling inspector in daylight in sight of police headquarters recently. Less than 48 hours later, a man walked up to the car of a customs police officer and shot him in the head in front of his wife and daughter.

The shootings in Macau, which reverts to Chinese sovereignty next year, were carried out just as Portugal and local businesses are beginning several initiatives aimed at promoting a higher-tech Macau, seeking to wean the island from its dependence on gambling and tourism.

At stake in the criminals' fight is what has been called the most lucrative

gambling franchise in the world, with profits of \$575 billion in 1996.

The casinos are licensed to a private company controlled by a Hong Kong tycoon, Stanley Ho, but his exclusive franchise, held since 1962, expires in 2001. Last year he warned against opening the gambling business to competition, predicting "chaos and disorder" if casinos competed for business.

The new Macau — still largely on the drawing board — foresees a thriving, low-cost, service center catering to companies seeking relief from high-cost Hong Kong, just an hour's boat ride away.

So keen is Portugal to showcase Macau as a gateway to Asia that it is acting as host to a European Union technology exhibition here this week, seeking to team European and Asian partners in industrial and scientific research and development.

China and Portugal signed an accord at the exhibition Thursday stating that Macau should become a "connecting point" for scientific relations between Asia and Europe. The two sides agreed to support an international forum on

scientific and technological culture to be held in Macau.

For now, what Macau does not earn from gambling and tourism it makes in exporting garments and textiles. But these may come under sustained pressure because competing clothing exporters in Southeast Asia have benefited from currency devaluations during the Asian economic crisis.

Macau's currency, the pataca, has remained solid because it is linked to the Hong Kong dollar, which is linked to the U.S. dollar.

The kind of company investment that Macau is aiming at initially would emulate the move last October by Hong Kong's Hutchison Telecom, which transferred 600 paging operator jobs to Macau. With wages about half the level they are in Hong Kong and real estate costs at one-seventh the level there, the savings for certain kinds of back office jobs are obvious.

Still, Macau competes not only with Hong Kong for service jobs, but with southern China as well. There, wages and property prices are even lower.

But the main problem with pushing

the image of the new Macau as an efficient Asian hub is the old Macau. The past week's violence is part of a spate of shootings and bombings that began in 1996 and have battered the colony's tourist industry and image.

Last year, there were 29 murders, many of them thought to be linked to organized crime. A new anti-crime law enacted in August that sanctions the use of video surveillance and wiretapping by the police has not quelled the violence.

Combined with the economic crisis in Asia, the shootings led to a 13 percent drop last year in the number of tourists. As a result, economic growth has been close to a standstill since 1996, after the completion of an expensive but sorely underused airport and vast overbuilding in the real estate market.

Macau promotes itself as having a quaint, European feel. Less quaint, and more indicative of what makes Macau tick, is the scene inside the Hotel Lisboa casino, at once garish and seedy. Here, men emerge from an evening of bacchanal to pick up the cheaply perfumed prostitutes who have parked themselves at the entrance, just a few feet from the elevators that lead to the guest rooms above.

One of the most prominent boosters of the new Macau is the Delta Asia group, which runs Macau's fifth-highest bank.

Its recent media blitz in Hong Kong on Macau's attractiveness will culminate next weekend when a delegation of about 50 Hong Kong companies visit Macau to consider moving some operations here.

Delta charges businesses nothing up front for the service, conducted with the Macau government, but is counting on handling some of the financial services of companies that decide to relocate.

The group's push follows the shooting on March 24 of Francisco Amaral, the gambling inspector.

IMF Bargains Hard To Rescue Jakarta

Pending Deal Shows Both Sides' Adaptability

Compiled by Our Staff From Dispatches

JAKARTA — As Indonesia inched closer Thursday to a new agreement with the International Monetary Fund on the country's \$43 billion bailout, analysts and economists described the proposed deal as far more acceptable to President Suharto than the previous two.

The IMF is thought to have softened its demands for Indonesia to dismantle a web of cartels and monopolies — many of them run by Mr. Suharto's family and friends — and scale down its economic targets and ambitions.

The IMF's deputy managing director, Stanley Fischer, said Thursday that negotiations were nearing an end on an amended program that encompassed greater "adaptability." He said that "important measures" had been added but did not elaborate.

"The IMF has learned that if you press Suharto too far, then he won't do anything," said Sani Hamid, an analyst at MMS International in Singapore. "They've been forced into a compromise that abandons a lot of good reforms."

But the IMF's managing director, Michel Camdessus, said Indonesia had lost time in repairing its economy by not implementing strict reforms more quickly.

In a speech prepared for delivery in Washington, Mr. Camdessus said that because of delays, "the rupiah is not substantially overvalued, and economic conditions have deteriorated."

In Indonesia, he said, "We are not yet at the point where we are in Thailand and Korea — with strong programs being forcefully carried out."

The IMF suspended a \$3 billion disbursement of the loan package last month because it was not satisfied that Jakarta was carrying out promised reforms, including strengthening the banking and legal systems, ending monopolies, cutting government spending and eliminating subsidies.

Investors expect that the disbursement, suspended March 15, will be made this month, providing a much-needed boost to Bank Indonesia's foreign reserves, which have dwindled to about \$16.6 billion.

The chairman of the Indonesian Central Bureau of Statistics, Sugito Suwito, announced the latest inflation figures Thursday and warned that prices would rise further unless compromise was achieved with the IMF.

Indonesian prices soared more than 25 percent in the first quarter of the year and 5.49 percent in March alone, he said. Inflation for the year that ended Tuesday was 34.22 percent.

"It looks like the IMF has agreed that the subsidies will be reduced gradually," he said. "But if there is a drastic cut, then inflation will shoot up quickly."

An Indonesian government official said the IMF and Indonesia had tentatively agreed to an inflation target of about 50 percent for 1998, compared with an earlier goal of 20 percent. While earlier they assumed a rupiah exchange rate of 5,000 to the dollar, they are now considering an average dollar rate of 6,000 rupiah.

The dollar closed Thursday at 6,650 rupiah, up from 8,600 rupiah Wednesday.

The sources said the two sides expected gross domestic product to fall by around 5 percent during the 1998-99 year, which began Wednesday.

Virtually certain to be dropped in the new agreement will be earlier IMF demands that the government slash subsidies on gasoline, electricity and a number of basic foods.

IMF officials have said they recognize that cutting subsidies all at once could impose more economic pain on the poor.

"Both sides have won some points," said Mohammed Sadli, a former government minister, said. (Bridge News, AFP, Reuters, Bloomberg)

It's an E-Mail — It's a Letter

Microsoft and U.K. Post Office Concoct a Hybrid Product

LONDON — With the punch of a button, and the swipe of a credit card, Internet users will soon be able to have their e-mail messages shipped the old-fashioned way: on paper and in envelopes.

Microsoft Corp. and Royal Mail, the British postal service, announced Thursday that they were teaming up on the project, dubbed RelayOne.

E-mail users can have their messages downloaded by machines at the post office, then sent anywhere by the Royal Mail. The rates will range from £1.50 (\$2.50) for one page anywhere in the world, to £10 for 50 pages to destinations outside Europe.

The service will allow people on-

line to send e-mails to people without computers, and it would also compete with overnight delivery services from outside Britain to points within Britain by guaranteeing next-day delivery.

The Royal Mail said sending the e-mail to Britain for first-class shipping to points in Continental Europe might also be faster than sending it through regular air mail from the United States — although delivery times are not guaranteed once the letter gets into the international postal system.

The service could also be good for people who want to send letters without leaving their desk and computer to find stamps and envelopes — although the cost is five times that for a regular stamp within Britain.

Thinking Ahead / Commentary

Giving Africans the Wrong Message

By Reginald Dale
International Herald Tribune

WASHINGTON — Long dismissed as a stagnant backwater of the world economy, Africa is beginning to stir. Throughout much of the vast tract of the continent that lies south of the Sahara, economic growth is rising robustly for the first time in 20 years. People are starting to talk of African "lion" economies in the way they once spoke admiringly of Asian "tigers."

The reasons are easy to see. More and more African countries are attempting to shake off the shackles of centrally planned, aid-dependent economies and join the worldwide move to democracy and open markets. Increasingly, if still cautiously, African leaders realize that they must encourage trade and private investment if their countries are not to be left behind by economic globalization.

That is also the guiding principle behind the African Growth and Opportunity Act, offering robust trade concessions to the nations of sub-Saharan Africa, that is currently making its way through the U.S. Congress.

It is the message that should have been the centerpiece of President Bill Clinton's 12-day tour of Africa that ended Thursday.

Unfortunately, it wasn't. Instead, Mr. Clinton seemed intended to pander to narrow sections of his political base back home — and especially to African-Americans — rather than to

promote genuine African economic development.

By expressing contrition for evils that have afflicted Africa from slavery to American support of dictators during the Cold War and the blind eye turned by his administration toward the massacres in Rwanda — Mr. Clinton appeared to imply that many of Africa's problems had been due to events outside the continent and thus could be fixed by outside intervention. Rather than frankly tell African leaders that aid dependency has been at

the root of their economic problems, he pledged to reverse the decline in U.S. financial aid — raising false expectations of future American assistance at the very time Africans ought to be learning to do without it.

Despite Mr. Clinton's guilty harping on America's past inadequacies, it is not primarily up to the United States to end Africa's political and economic marginalization. As many thoughtful Africans would now readily acknowledge, the main responsibility lies with the Africans themselves.

No amount of outside support will do the trick unless African countries radically improve their methods of government. That means not just mov-

ing toward greater democracy but tackling serious problems such as capital flight and corruption, slashing tariffs and raising revenue through fair and efficient tax systems.

The list is a long one. Budgets need to be brought under control and unnecessary and burdensome regulations eliminated. Above all, entrepreneurial activity must be allowed to flourish, which means that everyone must know what the rules are.

Americans can help by opening their borders to more African exports, particularly of textiles, as the Africa trade bill proposes.

But the bill, which has been passed by the House of Representatives, faces tough opposition in the Senate, where protectionists have chosen to make their stand against it.

With his Africa trip ended, Mr. Clinton now should get to work on persuading the Senate to pass the bill. It is far from perfect. Its trade provisions are minimal, and much more is needed on debt relief. But it is a symbolic step in the right direction.

Mr. Clinton, however, will not help the bill if he seems to suggest that it represents some kind of reparation for injustices that the United States has inflicted on Africa in the past. If the United States is to be serious about helping Africa, Mr. Clinton will need to appeal to a much broader constituency than he has been doing over the past few days.

Internet address: thinkahead@washpost.com

CURRENCY & INTEREST RATES

April 2													April 2												
Cross Rates													Libor-Libor Rates												
	\$	£	D.M.	F.F.	Lira	B.F.	A.F.	S.F.	X.S.	C.	Peso		Dollar	D-Mark	Swiss	French		Yen	ECU						
Amsterdam	2.846	2.076	1.369	0.303	0.1147		5.689	1.305	1.561	1.681	1.286		1-month	3%a	3%a	3%a	1%a	7%a	3%a	3%a	4%a	4%a			
Bremen	2.846	2.076	1.369	0.303	0.1147		5.689	1.305	1.561	1.681	1.286		3-month	3%a	3%a	3%a	1%a	7%a	3%a	3%a	4%a	4%a			
Frankfurt	2.846	2.076	1.369	0.303	0.1147		5.689	1.305	1.561	1.681	1.286		6-month	3%a	3%a	3%a	1%a	7%a	3%a	3%a	4%a	4%a			
London (G)	1.987			2.064	1.369	0.303	0.1147	5.689	1.305	1.561	1.681		9-month	3%a	3%a	3%a	1%a	7%a	3%a	3%a	4%a	4%a			
Milan	2.846	2.076	1.369	0.303	0.1147		5.689	1.305	1.561	1.681	1.286		12-month	3%a	3%a	3%a	1%a	7%a	3%a	3%a	4%a	4%a			
Paris	1.987			2.064	1.369	0.303	0.1147	5.689	1.305	1.561	1.681														
Porto	1.987			2.064	1.369	0.303	0.1147	5.689	1.305	1.561	1.681														
Stockholm	1.987			2.064	1.369	0.303	0.1147	5.689	1.305	1.561	1.681														
Switzerland	1.987			2.064	1.369	0.303	0.1147	5.689	1.305	1.561	1.681														
Vienna	1.987			2.064	1.369	0.303	0.1147	5.689	1.305	1.561	1.681														
Yokohama	1.987			2.064	1.369	0.303	0.1147	5.689	1.305	1.561	1.681														
Sources: Reuters, Libor Bank																									
Rates applicable in interbank deposits of \$1 million minimum for equivalent.																									
Key Money Rates													Key Money Rates												
	United States	Today	Prev	Britain		Today	Prev	France		Today	Prev	Germany		Today	Prev	Italy		Today	Prev	Japan		Today	Prev		
Discount rate	5.00	5.00	5.00	Bank base rate	7%a	7%a																			
Federal funds	8%a	8%a	8%a	Call money	7%a	7%a																			
1-month T-bill	5.50	5.50	5.50	1-month interbank	7%a	7%a																			
3-month T-bill	5.50	5.50	5.50	3-month interbank	7%a	7%a																			
6-month T-bill	5.50	5.50	5.50	6-month interbank	7%a	7%a																			
9-month T-bill	5.50	5.50	5.50	9-month T-bill	5.85	5.91																			
12-month T-bill	5.50	5.50	5.50	12-month T-bill	5.85	5.91																			
15-month T-bill	5.50	5.50	5.50	15-month T-bill	5.85	5.91																			
18-month T-bill	5.50	5.50	5.50	18-month T-bill	5.85	5.91																			
21-month T-bill	5.50	5.50	5.50	21-month T-bill	5.85	5.91																			
24-month T-bill	5.50	5.50	5.50	24-month T-bill	5.85	5.91																			
36-month T-bill	5.50	5.50	5.50	36-month T-bill	5.85	5.91																			
48-month T-bill	5.50	5.50	5.50	48-month T-bill	5.85	5.91																			
60-month T-bill	5.50	5.50	5.50	60-month T-bill	5.85	5.91																			
72-month T-bill	5.50	5.50	5.50	72-month T-bill	5.85	5.91																			
84-month T-bill	5.50	5.50	5.50	84-month T-bill	5.85	5.91																			
96-month T-bill	5.50	5.50	5.50	96-month T-bill	5.85	5.91																			
108-month T-bill	5.50	5.50	5.50	108-month T-bill	5.85	5.91																			
120-month T-bill	5.50	5.50	5.50	120-month T-bill	5.85	5.91																			
132-month T-bill	5.50	5.50	5.50	132-month T-bill	5.85	5.91																			
144-month T-bill	5.50	5.50	5.50	144-month T-bill	5.85	5.91																			
156-month T-bill	5.50	5.50	5.50	156-month T-bill	5.85	5.91																			
168-month T-bill	5.50	5.50	5.50	168-month T-bill	5.85	5.91																			
180-month T-bill	5.50	5.50	5.50	180-month T-bill	5.85	5.91																			
192-month T-bill	5.50	5.50	5.50	192-month T-bill	5.85	5.91																			
204-month T-bill	5.50	5.50	5.50	204-month T-bill	5.85	5.91																			
216-month T-bill	5.50	5.50	5.50	216-month T-bill	5.85	5.91																			
228-month T-bill	5.50	5.50	5.50	228-month T-bill	5.85	5.91																			
240-month T-bill	5.50	5.50	5.50	240-month T-bill	5.85	5.91																			
252-month T-bill	5.50	5.50	5.50	252-month T-bill	5.85	5.91																			
264-month T-bill	5.50	5.50	5.50	264-month T-bill	5.85	5.91																			
276-month T-bill	5.50	5.50	5.50	276-month T-bill	5.85	5.91																			
288-month T-bill	5.50	5.50	5.50	288-month T-bill	5.85	5.91																			
300-month T-bill	5.50	5.50	5.50	300-month T-bill	5.85	5.91																			
312-month T-bill	5.50	5.50	5.50	312-month T-bill	5.85	5.91																			
324-month T-bill	5.50	5.50	5.50	324-month T-bill	5.85	5.91																			
336-month T-bill	5.50	5.50	5.50	336-month T-bill	5.85	5.91																			
348-month T-bill	5.50	5.50	5.50	348-month T-bill	5.85	5.91																			
360-month T-bill	5.50	5.50	5.50	360-month T-bill	5.85	5.91																			
372-month T-bill	5.50	5.50	5.50	372-month T-bill	5.85	5.91																			
384-month T-bill	5.50	5.50	5.50	384-month T-bill	5.85	5.91																			
396-month T-bill	5.50	5.50	5.50	396-month T-bill	5.85	5.91																			
408-month T-bill	5.50	5.50	5.50	408-month T-bill	5.85	5.91																			
420-month T-bill	5.50	5.50	5.50	420-month T-bill	5.85	5.91																			
432-month T-bill	5.50	5.50	5.50	432-month T-bill	5.85	5.91																			
444-month T-bill	5.50	5.50	5.50	444-month T-bill	5.85	5.91																			
456-month T-bill	5.50	5.50	5.50	456-month T-bill	5.85	5.91																			
468-month T-bill	5.50	5.50	5.50	468-month T-bill	5.85	5.91																			
480-month T-bill	5.50	5.50	5.50	480-month T-bill	5.85	5.91																			
492-month T-bill	5.50	5.50	5.50	492-month T-bill	5.85	5.91																			
504-month T-bill	5.50	5.50	5.50	504-month T-bill	5.85	5.91																			
516-month T-bill	5.50	5.50	5.50	516-month T-bill	5.85	5.91																			
528-month T-bill	5.50	5.50	5.50	528-month T-bill	5.85	5.91																			
540-month T-bill	5.50	5.50	5.50	540-month T-bill	5.85	5.91																			
552-month T-bill	5.50	5.50	5.50	552-month T-bill	5.85	5.91																			
564-month T-bill	5.50	5.50	5.50	564-month T-bill	5.85	5.91																			
576-month T-bill	5.50	5.50	5.50	576-month T-bill	5.85	5.91																			
588-month T-bill	5.50	5.50	5.50	588-month T-bill	5.85	5.91																			
600-month T-bill	5.50	5.50	5.50	600-month T-bill	5.85	5.91																			
612-month T-bill	5.50	5.50	5.50	612-month T-bill	5.85	5.91																			
624-month T-bill	5.50	5.50	5.50	624-month T-bill	5.85	5.91																			
636-month T-bill	5.50	5.50	5.50	636-month T-bill	5.85	5.91																			
648-month T-bill	5.50	5.50	5.50	648-month T-bill	5.85	5.91																			
660-month T-bill	5.50	5.50	5.50	660-month T-bill	5.85	5.91																			
672-month T-bill	5.50	5.50	5.50	672-month T-bill	5.85	5.91																			
684-month T-bill	5.50	5.50	5.50	684-month T-bill	5.85	5.91																			
696-month T-bill	5.50	5.50	5.50	696-month T-bill	5.85	5.91																			
708-month T-bill	5.50	5.50	5.50	708-month T-bill	5.85	5.91																			
720-month T-bill	5.50	5.50	5.50	720-month T-bill	5.85	5.91																			
732-month T-bill	5.50	5.50	5.50	732-month T-bill	5.85	5.91																			
744-month T-bill	5.50	5.50	5.50	744-month T-bill	5.85	5.91																			
756-month T-bill	5.50	5.50	5.50	756-month T-bill	5.85	5.91																			
768-month T-bill	5.50	5.50	5.50	768-month T-bill	5.85	5.91																			
780-month T-bill	5.50	5.50	5.50	780-month T-bill	5.85	5.91																			
792-month T-bill																									

For Lower Air Fares, Click and Bid

Auctions Over the Internet Bring Spirit of the Bazaar Back to Retailing

By Saul Hansell
New York Times Service

NEW YORK — You can usually haggle over the price of a car or cut a deal for that rowing machine at a garage sale. But an airline ticket?

Imagine walking up to an airline counter, flashing a wad of bills and offering \$300 for a ticket to Florida when the lowest available fare is \$400. The ticket agent would probably call the security agents. Yet that, in essence, is what consumers will be able to do with an Internet service scheduled to be introduced Monday.

Fares are already all over the map, of course, but they are dictated by the airlines. Now, though, five of the eight largest U.S. airlines and several big international carriers have agreed to respond electronically to bids for round-trip tickets made by consumers over the Internet, according to Priceline, the company establishing the system.

While the tickets have restrictions intended to weed out business travelers, who usually have to pay more, industry consultants expect leisure travelers to be able to use the system to buy tickets at well below listed fares, sometimes without advance-purchase restrictions.

Over the next year, Priceline executives say they plan to extend the

concept to the purchase of cars, to interest rates on home mortgages and even to charges for international phone calls.

Technology, in short, is bringing commerce back to a bazaar-like footing. Ever since the railroad and the Montgomery Ward catalog extended the reach of U.S. big businesses from coast to coast, companies have largely sold their products at fixed prices. But now, more and more goods and services are being sold through auctions or other forms of electronic negotiation.

With some 150 World Wide Web sites running auctions of various sorts, the Internet is already loaded with the sort of bargaining ever seen at the local mall.

The acknowledged leader of on-line bidding is Onsale, a Menlo Park, California, company that takes bids from 10,000 people a day for surplus computer and electronic goods. eBay of San Jose, California, offers electronic classified advertising in which individuals can auction off their own property. All manner of specialized auctions have popped up, from Bear Auction, which sells teddy bears, to GuitarAuction, which sells guitars.

Businesses, too, are starting to use Internet auctions to buy office equipment, electrical power and much else.

"The idea that there are fixed prices you have to accept is not actually ingrained in human nature," said Stuart Feldman, director of the Institute for Advanced Commerce at International Business Machines Corp.'s research laboratory in Hawthorne, New York.

Retailers, he said, have imposed fixed prices because they have not been able to bargain individually with customers or willing to give sales clerks authority to negotiate prices.

"Now, the Internet allows communication at no cost and infinite speed," Mr. Feldman said, "and you can program computers with rules for what deals they can and can't make instead of trusting a \$5-an-hour clerk."

The result, marketing experts say, is likely to be higher prices for goods that are more in demand and more bargains for consumers willing to buy things that are off the beaten path.

Of course, to judge from experience in car-buying, the one market in which negotiation has long been common, many U.S. consumers do not like to haggle. But the Internet is changing the automobile market, too — not to eliminate bargaining but to give it clear rules, much the way trading on a stock exchange is regulated to ensure that the transaction is fair to both buyers and sellers.

Some say that on-line auctions appeal

grained in human nature," said Stuart Feldman, director of the Institute for Advanced Commerce at International Business Machines Corp.'s research laboratory in Hawthorne, New York.

Retailers, he said, have imposed fixed prices because they have not been able to bargain individually with customers or willing to give sales clerks authority to negotiate prices.

"Now, the Internet allows communication at no cost and infinite speed," Mr. Feldman said, "and you can program computers with rules for what deals they can and can't make instead of trusting a \$5-an-hour clerk."

The result, marketing experts say, is likely to be higher prices for goods that are more in demand and more bargains for consumers willing to buy things that are off the beaten path.

Of course, to judge from experience in car-buying, the one market in which negotiation has long been common, many U.S. consumers do not like to haggle. But the Internet is changing the automobile market, too — not to eliminate bargaining but to give it clear rules, much the way trading on a stock exchange is regulated to ensure that the transaction is fair to both buyers and sellers.

Some say that on-line auctions appeal

grained in human nature," said Stuart Feldman, director of the Institute for Advanced Commerce at International Business Machines Corp.'s research laboratory in Hawthorne, New York.

Retailers, he said, have imposed fixed prices because they have not been able to bargain individually with customers or willing to give sales clerks authority to negotiate prices.

"Now, the Internet allows communication at no cost and infinite speed," Mr. Feldman said, "and you can program computers with rules for what deals they can and can't make instead of trusting a \$5-an-hour clerk."

The result, marketing experts say, is likely to be higher prices for goods that are more in demand and more bargains for consumers willing to buy things that are off the beaten path.

Of course, to judge from experience in car-buying, the one market in which negotiation has long been common, many U.S. consumers do not like to haggle. But the Internet is changing the automobile market, too — not to eliminate bargaining but to give it clear rules, much the way trading on a stock exchange is regulated to ensure that the transaction is fair to both buyers and sellers.

Some say that on-line auctions appeal

VICTOIRE ARIANE
20, Boulevard Emmanuel Servais, L-2335 Luxembourg
R.C. Luxembourg B 34 236

AVIS AUX ACTIONNAIRES
A partir du 3 avril 1998, il sera payé un dividende USD 39.50, par action contre remise du coupon n°14 des certificats au porteur à la

BANQUE DE GESTION EDMOND DE ROTHSCHILD LUXEMBOURG
- Société Anonyme -
20, Boulevard Emmanuel Servais
L-2335 LUXEMBOURG

A partir du 3 avril 1998, l'action est cotée ex-dividende en BOURSE
DI LUXEMBOURG

Pour la société,
L'Agent payeur

CAPITAL INTERNATIONAL FUND
Société d'investissement à Capital Variable
Luxembourg, 5, boulevard de la Foire
R.C. Luxembourg B No 8.833

DIVIDEND NOTICE

At the Annual General Meeting held on March 31, 1998, it was decided to pay a dividend of USD 0.33 (thirty three cents) per share on or after April 10, 1998 to shareholders of record on March 31, 1998 and to holders of bearer shares upon presentation of coupon n° 29. The dividend date is April 3, 1998.

Paying Agent: CHASE MANHATTAN BANK (LUXEMBOURG) S.A.
5, rue Pfaffs
L-2338 LUXEMBOURG

The 2,600 most traded stocks of the day.
 Nationwide prices not reflecting late trades elsewhere.
 The Associated Press.

PORTU
TEL

OFFICIAL TELEVISION NEWS
Stock Exchange
of the U.S.

DECLARED STATEMENTS IN THE
SECURITY OF THE U.S. GOVERNMENT
DEPARTMENT OF JUSTICE

صبرنا من الاجل

ASIA/PACIFIC

China's New 'Self-Defense' Tool: U.S. Bonds

By Philip Segal
International Herald Tribune

HONG KONG — In what could signal a shift from relying on high interest rates to defend the Hong Kong dollar against speculative attacks, China has purchased \$52 billion of U.S. Treasury bonds since February to intervene in the foreign-exchange market if necessary, a report here said Thursday.

If "international" speculators backed by U.S. capital mounted another attack on the currency, China "could at any time sell U.S. Treasury bonds in self-defense," the Chinese-language Ming Pao newspaper said, quoting sources in Beijing.

No one from either the Hong Kong or Chinese governments confirmed the account in Ming Pao, a Hong Kong-based paper with a history of writing high-profile economic stories from mainland China.

Four years ago, one of its journalists there was jailed on charges of breaching national security after writing a report about the central bank's

policy on gold-bullion reserves.

U.S. Treasury securities are the most liquid asset on international markets other than cash. Bloomberg News said that according to U.S. Treasury figures, China at the end of January held \$50 billion of U.S. Treasury bonds and notes, the second-largest government holding of U.S. debt in the world, after Japan's.

China has pledged to use its \$140 billion in reserves and Hong Kong's nearly \$97 billion in reserves to defend the Hong Kong dollar. But until now, Hong Kong has used high interest rates as its main weapon to bolster its currency.

Letting interest rates rise when speculators sell the Hong Kong dollar is the orthodox way to fight speculation under a currency-board system. This former British colony has had such a board in place since 1983.

Since last October, Hong Kong's currency has been subject to two major and several minor attacks by speculators, in some cases leading to sharp and sustained increases in in-

terest rates. But high rates entail a significant cost. Property prices, which make up the bulk of Hong Kong's stock market and at least 40 percent of the loan portfolios of the territory's banks, fell about 40 percent between last November and February.

After the last sustained bout of high interest rates in February, Hong Kong's top official said that further falls in property prices here would be unacceptable.

In a radio broadcast at the time, Tung Chee-hwa, the chief executive of Hong Kong, warned listeners that if property prices continued to fall, "our banking system will be affected." He added that stabilizing property prices "in such circumstances" would be "of utmost importance to our economy."

Measures to support the property market, such as withdrawing large parcels of land from public auction or tender, have been under way since February.

Last Friday, Hong Kong banks cut their lending rates by a quarter of a percentage point, but the stock

market has since fallen nearly 5 percent. The market's major indicator, the Hang Seng Index, closed at 11,189.71 points Thursday, down 1.25 percent on the day and 4.65 percent since the end of last week. Analysts said the reduction would make little difference to businesses' financing costs.

Hong Kong's government, as well as the national government in Beijing, may well have come under pressure from Hong Kong's business community, which has been suffering in the high-rate environment.

The Hong Kong Monetary Authority has spent some money to support the Hong Kong dollar, although it never confirms this until well after the fact. The Ming Pao report came less than a week after Hong Kong reported a 1.4 percent drop in its foreign-currency reserves in February from January.

In a speech last month, the head of the monetary authority, Joseph Yam, said introducing tools other than interest rates to defend the currency "could be seen as a lack of resolve" on Hong Kong's part.

Sony Corp. to Meet Profit Forecast but Sees Difficult Year

Bloomberg News

TOKYO — Sony Corp. said Thursday it would meet its forecast for record profit and sales for its latest financial year but said the year ahead would be "very severe."

The Sony chairman, Norio Ohga, said the company was "beginning to feel the impact of the economic crisis in Asia."

"We see low growth in those markets for the foreseeable future," he said, adding that market demand was "dropping quickly" in Thailand and Indonesia.

Sony, the world's second-largest maker of audiovisual equipment and home-electronic appliances behind Matsushita Electric Industrial Co., has predicted a profit of at least 210 billion yen (\$1.57 billion) for the year that ended Tuesday, which would be a 51 percent increase from the previous year. It predicted sales of at least 6.6 trillion yen, up 17 percent or more.

Sony's PlayStation home-video game machine powered record sales. The PlayStation, which has surpassed Nintendo Co.'s Nintendo 64 as the top-selling machine in the \$15 billion global home-video-game market, generated about 10 percent of total sales and 20 percent of Sony's projected 500 billion yen in operating profit.

"Our digital audiovisual products and the PlayStation are enjoying huge success," said Nobuyuki Idei, the president of Sony. Sales in Sony's core electronics business, which accounts for 78 percent of its sales, rose 15 percent in the year, Mr. Idei said.

But business conditions for Sony will be "very difficult" in the year through March 1999, Mr. Idei said. Sony estimates that Asian markets outside Japan account for 10 percent of sales. Sony's shares rose 200 yen to close at 11,600.

The weaker yen helped Sony last year and might help cushion the impact of falling sales this year.

"The weak yen is a favorable tailwind for Sony," Mr. Idei said. Mr. Idei, 60, who took control of the company in 1995, has spearheaded a push into digital products such as computers, televisions, video cameras and MiniDisc players.

Meanwhile, Mr. Ohga called on the government to do more to stimulate consumer demand in Japan. The government should cut taxes rather than focus on investing in infrastructure, he said.

Japan's government is "too focused on domestic thinking," Mr. Ohga said.

Investor's Asia

Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong Hang Seng		11,189.71	11,331.42	-1.25
Singapore Straits Times		1,568.60	1,600.12	-1.97
Sydney All Ordinaries		2,757.00	2,752.90	+0.15
Tokyo Nikkei 225		15,702.90	16,241.66	-3.32
Kuala Lumpur Composite		684.27	700.05	-2.25
Bangkok SET		453.88	456.57	-0.59
Seoul Composite Index		453.66	468.22	-3.11
Taipei Stock Market Index		9,013.10	9,041.50	-0.31
Manila PSE		2,174.00	2,209.37	-1.60
Jakarta Composite Index		516.40	529.948	-1.44
Wellington NZSE-40		2,315.21	2,332.72	-0.75
Bombay Sensitive Index		3,992.72	3,969.57	+0.58

Source: Reuters

International Herald Tribune

Very briefly:

- India's central bank trimmed its interest rate on loans to commercial banks for the second time in a month, cutting it half a percentage point to 10 percent.
- Duty Free Shoppers HK Ltd., a Hong Kong-based retailing unit of the French luxury-goods concern LVMH Moët Hennessy Louis Vuitton, said it expected further job cuts in the territory after a recent dismissal of 320 employees. The company, which has 1,500 employees, is restructuring in the face of poor business performance caused by a decline in the local tourist industry.
- France is prepared to provide a loan of about 2 billion francs (\$323 million) to secure a contract to build a light railway line for Shanghai.
- Royal & Sun Alliance Insurance Group PLC is expected to become the first British insurer to be given a license to operate in China.
- PT London Sumatra Indonesia, a dominant palm-oil company, said two top executives had resigned — Geoffrey Brown, president-director, and Jim Bell, finance director, — sparking speculation about losses and other problems.
- Rio Tinto Ltd., the world's largest mining company, is searching for acquisitions and mining projects to build its iron-ore business as copper and gold prices undermine profitability in those areas. The British-Australian company is also seeking to raise its market share in China.
- Creative Technology Ltd. of Singapore is working with Microsoft Corp. to build a standard for sound used in computer programs.
- Taiwan is set to surpass Japan as the world's largest notebook-computer maker this year amid fierce price-cutting, an industry executive said. Taiwan's computer-notebook industry can cut production costs to raise competitiveness, the executive said, something that is difficult for Japan to do.
- Coca-Cola Co. plans to invest an additional \$200 million in South Korea this year. Coca-Cola already has invested around \$500 million in South Korea this year, buying three local soft-drink bottling companies. *AFP, Bloomberg, Reuters*

Intel Affirms Malaysia Plans

PENANG, Malaysia — Intel Corp. still plans to invest \$400 million to \$500 million at three facilities in Malaysia despite the regional economic crisis, Craig Barrett, the company's president, said Thursday.

Mr. Barrett said Intel was committed to participating in the multimedia supercorridor, a high-technology zone near Kuala Lumpur, but he added, "We are still looking at our options there and trying to see what makes maximum sense."

The investment in Malaysia was earmarked for Intel's facilities in northern Penang state, Kulim in northern Kedah state and a logistics site near Penang's airport.

Mr. Barrett said no new investment was planned either in Malaysia or in Australia, where he was to go from Malaysia on the final leg of his five-nation Asia-Pacific tour.

Intel plans to invest more than \$1 billion in the Asia-Pacific region in 1998. Its total capital investment this year is expected to be around \$5 billion.

AUCTION: Click and Bid — and Save

Continued from Page 13

to a certain type of consumer, who sees them as a multipayer computer game in which real dollars are at stake.

Even before the Internet, computerization began allowing companies to replace fixed prices with prices based on a computerized assessment of supply, demand and type of customer. A prime example can be seen at a car-rental counter, where each customer seemingly pays a different rate, depending on corporate discounts, club affiliations and numerous other factors.

Now these systems are evolving into two-way bargaining. Many credit-card and long-distance telephone companies, for example, will cut prices for customers who call and ask for lower rates. The people who really want discounts get them; everyone else pays full price.

The Internet offers a way to connect these central computers, which make ever-finer pricing distinctions, with a mass of customers.

"We are moving to an age where businesses will quote a different price to every customer for every product every day," said Jerry Kaplan, chief executive of Onsale.

Companies are especially attracted to the Internet as a way to clear out inventory that is old or, like the

unsold plane ticket, would soon see its value vanish. It is a low-cost way to reach lots of potential customers, yet it is not as public as traditional advertising. That is why big airlines have taken to selling last-minute tickets through e-mail lists and have agreed to participate in the new Priceline auction.

"It's plenty easy to fill your airplanes by offering discounts," said Donald Garrett, a vice president of SH&E, an airline consulting firm that has done work for Priceline. "But you can't cannibalize your business with people who would be willing to pay higher fares. Priceline lets you find new demand."

On Priceline's Internet site, users enter the price they would be willing to pay to travel to a specified destination on a given date. They agree to accept a ticket on any major airline at any time of the day, with perhaps one stopover.

The tickets are not refundable and do not earn frequent-flyer miles. These restrictions are expected to scare off most business travelers.

"The offers will be matched against minimum prices that airlines have submitted to Priceline's computers. If any airline is willing to sell the ticket at the offered price, the user's credit card will be charged for it."

Jay Walker, a Connecticut-based entrepreneur who founded

Weak Yen Chills Korea's Markets

Bloomberg News

SEOUL — The won had its biggest decline in three weeks Thursday and stocks plunged as the yen's severe drop against the dollar threatened South Korea's exports.

The dollar rose 1.6 percent to 1,412 won Thursday, and it reached as high as 1,341.11 yen in early trading, nearly matching its five-and-a-half-year high of 1,344.2 yen set Jan. 7. It closed at 1,337.75 yen in New York on Wednesday.

Currency fluctuations hold the key to exports for South Korean companies, as many of their biggest rivals are Japanese. The benchmark Seoul Composite Index for stocks plunged 3.1 percent to 453.66 points, its lowest level since Jan. 10.

Priceline said the airlines had agreed to provide 100,000 seats a day to the system. By the end of the year, he said he expected Priceline to be able to sell 1,000 to 3,000 tickets a day. But he said participating airlines would not allow their names to be disclosed, just as name-brand manufacturers do not talk about how they liquidate excess stock.

*US\$1=PTE 184.1, noon buying rate Dec. 31, 1997.

PORTUGAL TELECOM REPORTS 1997 RESULTS

- Portugal Telecom, the Portuguese Telecommunications Company, reported Consolidated Net Income of PTE 70.1 billion (US\$380.8 million*) in 1997, an increase of 28% over 1996.
- Earnings per share increased from PTE 289 to PTE 369.
- Consolidated Operating Revenues for the year reached PTE 540.5 billion (US\$2.94 billion*), up 13.1% over 1996.
- Cash flow totaled PTE 213.8 billion (US\$1.16 billion*), up 23.9% on 1996.

*US\$1=PTE 184.1, noon buying rate Dec. 31, 1997.

Business contact: Dr Jorge Castela
Tel: (351-1) 5001701

Fax: (351-1) 3556623 E-mail: manuel.j.castela@telecom.pt

PORTUGAL TELECOM is quoted on the Lisbon and New York Stock Exchanges and its shares are traded on the Stock Exchange.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995.

	Year ended December 31,			
	1997	1997	1996	1995
	US\$	PTE	PTE	PTE
Operating Revenues:				
Services rendered	2,660.1	489,724	440,074	397,190
Sales of merchandise and products	148.2	27,274	14,499	8,565
Telephone directory	127.8	23,499	23,258	23,420
Total operating revenues	2,935.9	540,497	477,831	429,175
Operating Costs and Expenses:				
Wages and salaries	531.9	97,916	96,908	88,889
Post retirement benefits	222.2	40,918	39,729	33,660
Costs of telecommunications	167.2	30,780	29,795	29,791
Depreciation and amortization	814.2	113,071	108,114	98,882
Subsidies	(51.1)	(9,397)	(7,807)	(5,583)
Maintenance and repairs	46.0	(8,474)	(6,410)	(6,100)
Own work capitalized	(94.1)	(17,326)	(18,891)	(17,511)
Raw materials and consumables	89.5	12,802	16,272	15,655
Costs of products sold	155.2	28,554	18,074	8,339
Telephone directory	65.8	12,121	7,547	4,892
Marketing and publicity	22.8	4,197	4,064	3,634
Concession rent	303.1	55,780	40,259	34,268
Other general and administrative	65.6	12,069	8,879	8,844
Provision for doubtful receivables, inventories and other	(29.3)	(5,401)	(5,556)	(4,968)
Other net operating income	30.4	5,604	4,202	3,704
Taxes other than income taxes	2,202.1	405,400	350,266	321,106
Total operating costs and expenses	733.8	135,097	127,564	108,087
Operating Income:				
Other Expenses (Income):				
Interest and related expenses	112.2	20,664	26,457	32,803
Interest and related income	(36.1)	(6,654)	(4,802)	(5,746)
Losses on sales and disposals of fixed assets, net	23.0	4,232	6,336	4,785
Equity in earnings of affiliated companies	(16.0)	(3,313)	(2,022)	(3,011)
Other non-operating income net	7.3	1,349	1,804	538
Income Before Income Tax	645.4	118,818	103,200	79,774
Provision for income taxes	(280.6)	(48,018)	(49,050)	(42,261)
Consolidated Net Income	364.8	70,800	54,150	37,513
Before minority interests				
Loss/(income) applicable to minority interests	(3.8)	(703,808)	772	(1,258)
Consolidated Net Income	360.8	70,097	54,922	36,254
Earnings per Share and ADS* (US\$/PTE)	2.00	369	289	191

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 1997 AND 1996.

	December 31,		
	1997	1997	1996
	US\$	PTE	PTE
Current Assets:			
Cash	75.3	13,864	7,384
Short-term investments	15.7	2,892	1,308
Accounts receivable-trade, net	491.2	90,422	80,282
Third parties	263.4	48,495	45,297
Accounts receivable-other, net	2.3	427	996
Third parties	64.5	11,886	8,727
Prepaid expenses and other current assets	69.8	12,850	10,879
Total current assets	982.2	180,815	152,854
Investments, net	315.5	58,078	14,003
Fixed Assets, net	3,609.8	684,589	689,483
Intangible Assets, net	163.9	31,101	31,302
Other Non-Current Assets, net	44.2	8,128	8,929
Intangible Asset - Post Retirement Benefits	313.1	57,650	6,595
Total assets	5,433.7	1,000,342	873,167
Current Liabilities:			
Short term debt and current portion of medium and long term debt	79.7	14,572	42,794
Accounts payable-trade:			
Third parties	207.2	38,142	28,433
Affiliates	0.2	35	5
Accounts payable-other:			
Third parties	390.0	71,810	85,202
Affiliates	0.1	3	261
Accrued expenses	15.2	28,022	23,053
Taxes payable	134.7	24,756	22,726
Deferred income	282.9	52,072	44,133
Total current liabilities	1,267.0	228,560	224,408
Medium and Long-Term Debt	1,044.3	192,264	154,277
Accrued Post Retirement Liability	634.1	153,556	66,580
Deferred Income - Post Retirement Benefits	50.1	9,230	8,517
Other Non-Current Liabilities	69.0	10,961	10,961
Total liabilities	3,244.5	585,172	463,783
Minority Interests	18.7	3,625	949
Equity:			
Share capital	1,032.0	190,000	190,000
Revaluation reserve	628.7	115,383	115,383
Legal reserve	40.8	7,517	4,757
Other reserves and retained earnings	97.8	17,982	44,847
Cumulative foreign currency translation adjustments	1.6	284,400	(1,024)
Consolidation differences	380.8	70,097	54,922
Net income	2,179.5	401,243	408,435
Total equity	5,433.7	1,000,342	873,167

CONSOLIDATED FINANCIAL AND STATISTICAL INFORMATION FOR THE YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995.

	Year ended December 31,			
	1997	1996	1995	
1. CONSOLIDATED RESULTS (PTE millions, except*)				
• Operating Revenues:	540,498	477,831	429,175	
• Fixed Telephone Services	359,797	345,887	327,008	
• Leased lines	17,912	19,280	16,851	
• Mobile Services	61,347	35,612	21,628	
• Data Communications and Related Services	13,326	13,615	12,413	
• Cable Television	9,964	4,881	1,510	
• Supplementary Activities	61,145	48,532	43,683	
• International Operations	17,007	9,324	6,083	
• Income before Income Tax and Minority Interests	118,818	103,200	79,774	
• Consolidated Net Income for the Period	70,097	54,922	36,254	
• Earnings per Share for the year* (PTE)	369	289	181	
• Investment	174,355	122,127	115,977	
2. RATIOS (in %, except **)				
• Return on Sales	13.0	11.5	8.4	
• Interest cover* (number of times)	6.5	4.8	3.3	
• Net Debt/(Net Debt + Equity)	32.2	31.6	39.4	
• Return on Equity (ROE)	17.3	14.1	10.1	
• ROCE (EBIT/(Equity+Net Debt)	23.5	21.4	18.9	
3. SERVICES (thousands, except *)				
• Fixed Telephone Service				
• Total Fixed Main Lines (a)	4,002	3,822	3,643	
• Main Lines (a) per 100 Inhabitants* (n.)	40.2	38.5	36.7	
• Public Payphones	37.5	34.9	33.1	
• Digitalization of local Switching* (%)	88.3	79.4	68.6	
• Mobile services				
• Cellular Phone Subscribers	762	332	171	
• Data Communications and Related Services				
• Accesses to Switched Network	18.8	18.6	17.6	
• Internet Accesses	70.6	35.8	6.9	
• Cable Television				
• Homes Passed	1,351	900	384	
• Homes Connected	371	187	57	
4. EMPLOYEES (number)				
• Group Employees	21,524	21,961	22,023	
• Employees - Fixed and Mobile Telephones (b)	17,905	18,886	19,394	
• Lines (fixed and mobile)/Employee (b)	266	220	194	

[a] Includes ISON equivalent main lines; [b] Permanent employees and employees engaged on fixed term work contracts (PT, Marconi and TMN), less employees on loan to other subsidiary companies and bodies, 823, 794 and 783, respectively at the end of 1997, 1996 and 1995.

WORLD ROUNDUP

NCAA Settles Suit
With \$2.5 Million
Payout to Tarkanian

COLLEGE BASKETBALL More than two decades after Jerry Tarkanian and the NCAA first locked horns, the coach formally settled the fight that left him battered but not beaten.

The National Collegiate Athletic Association said Thursday it would pay Tarkanian \$2.5 million to settle his suit claiming that the association had manufactured evidence against his basketball programs to try to run him out of coaching.

"The NCAA regrets the 26-year ongoing dispute with Jerry Tarkanian and looks forward to putting this matter to rest," the association's executive director, Cedric Dempsey, said.

The settlement in the seven-year-old suit came one month before it was to go to trial in Las Vegas, where Tarkanian coached for almost 20 years. Tarkanian contended that the NCAA had targeted his teams at Long Beach State and the University of Nevada-Las Vegas. He is currently the head coach at Fresno State. "They screwed me, and they know they did," Tarkanian said, "but I would never give up. I was going to fight this forever if I had to."

Investigators seized 51 videotapes from a former Fresno State basketball player's apartment after a report that one of the tapes may show him pointing a gun at a teammate, according to court records.

The seizure of the videotapes was part of an investigation into whether to charge Avondale Jones with threatening an acquaintance, Colin DeForest, with a gun and beating him with swords in Jones's apartment.

Jones and a recruit, Kenny Brunner, were arrested March 17, the day after Fresno State beat Memphis in the National Invitation Tournament. Both have denied the allegations. Jones was kicked off the team, and Brunner was placed on indefinite suspension. (AP)

Sanchez Vicario Is Upset

TENNIS Seventh-ranked Arantxa Sanchez Vicario was beaten by the unseeded and little-known Andrea Glass, 6-7 (7-5), 7-5, 6-2, on Wednesday at the Family Circle Cup in Hilton Head Island, South Carolina. Sanchez Vicario hadn't lost her first match at her previous nine Family Circle titles, and it didn't look like she would lose this one when she led 5-4 in the second set. But Glass, ranked 94th in the world, won nine of the final 11 games. (AP)

Clemens Leads Jays
Past Minnesota, 3-2

He Shows Cy Young Form, Allowing 2 Hits

The Associated Press

Roger Clemens, coming off his fourth American League Cy Young Award, allowed only two hits in seven innings while pitching the Toronto Blue Jays past the Minnesota Twins, 3-2, in the season opener for both teams.

A crowd of 41,387 in Toronto saw Tim Lincecum win his first game as a major league manager Wednesday night.

Jose Cruz Jr. hit a two-run homer in the second inning and an RBI triple in the fifth, and also singled. Randy Myers,

Young award winner with Montreal, Martinez allowed only three hits. It was exactly the kind of performance the Red Sox expected from the ace, whom they got in a trade and then signed to a \$75 million, six-year contract.

Indians 9, Mariners 7 In Seattle, Manny Ramirez hit two home runs, and Sandy Alomar doubled twice as Cleveland beat the Mariners, completing a two-game sweep.

David Segui hit two homers and drove in five runs for Seattle. It was his first two-homer game in the majors, and came in his second game since leaving Montreal to sign with the Mariners.

Angels 4, Yankees 1 Chuck Finley, on a 10-game winning streak when his season ended with an injury last August, pitched seven strong innings to lead Anaheim to victory over visiting New York.

Matt Walbeck snapped a scoreless tie with a two-run triple in the fourth inning. Gary DiSarcina doubled him home, then Darin Erstad singled in DiSarcina for a 4-0 lead.

Andy Pettitte, the loser, gave up nine hits, walked three and hit a batter. He pitched six innings after a 56-minute rain delay held up the start. Troy Percival pitched the ninth for his first save.

In the National League:

Padres 10, Reds 9 In Cincinnati, Joey Hamilton's rough start left San Diego down by five runs, but Greg Myers's bases-loaded double rallied the Padres to victory.

San Diego improved to 2-0 by pulling off a comeback that featured homers by Ken Caminiti and Steve Finley and a seven-run sixth inning highlighted by Myers's go-ahead double.

Cubs 10, Marlins 3 In Miami, Mark Clark struck out 11 in seven innings, and Kevin Orie drove in four runs — both career-highs — as Chicago earned its first victory of the year.

Clark allowed four hits and one run in seven innings.

Orie had RBIs with a single in the first, a double in the third, a homer off the left-field foul pole in the fifth and a scoring fly in the ninth.

Pirates 4, Expos 0 Francisco Contreras and two relievers combined on a five-hitter, and Pittsburgh shut down host Montreal.

Tony Womack's two-run double highlighted a three-run seventh against loser Carlos Perez.

Cordova allowed only three hits, struck out five and walked two. Marc Wilkins pitched the eighth, and Loisele took over to start the ninth.

Astros 7, Giants 6 In Houston, Brad Ausmus singled home the tying run and another run scored on a passed ball as Houston rallied in the eighth inning.

The comeback prevented Orel Hershiser from winning in his Giants debut. Charlie Hayes homered and drove in



Roger Clemens winding up to throw his first pitch of the season in Toronto's victory over the Minnesota Twins.

four runs for San Francisco.

The Astros trailed, 6-5, when Carl Everett singled off Rich Rodriguez to start the eighth. Ricky Gutierrez and Ausmus singled against the losing pitcher, Julian Tavarez. With pinch-hitter Jack Howell at the plate, a passed ball by Brent Mayne allowed the go-ahead run to score.

Trevor Miller pitched two hitless innings for the victory, and Billy Wagner worked the ninth for a save. Houston

won a day after losing the season opener to the Giants, 9-4, in 13 innings.

Moises Alou hit a three-run homer off Hershiser — who left leading, 6-5, after six — and a wild pitch enabled another run to score as the Astros took a 4-0 lead in the first inning.

Rockies 6, Diamondbacks 0 In Phoenix, Vinny Castilla hit his third home run of the season, and John Thomson pitched eight strong innings as Colorado kept the expansion Arizona Dia-

mondbacks without a victory.

Dante Bichette drove in three runs with four hits, making him 8-for-10 in two games. Larry Walker scored three times and had two of Colorado's 16 hits.

Willie Blair (0-1), one of Arizona's several big-money free agents, allowed five runs and 12 hits in seven innings. Blair, however, broke his 0-for-41 slump at the plate when he singled in the third.

Baseball's 1998 Payroll: \$1,209,288,339

By Murray Chass
New York Times Service

NEW YORK — Albert Belle, Gary Sheffield and Greg Maddux all have higher individual salaries for this season than the entire opening-day roster of the Montreal Expos. The Baltimore Orioles' payroll is nearly eight times that of the Expos. The Orioles' \$70 million payroll is also a whopping \$7 million higher than the New York Yankees' payroll, which is probably the most remarkable feat of all — any owner outperforming George Steinbrenner by that much.

All of the payrolls add to a major league total of \$1,209,288,339, for an average player salary of \$1,437,917. The average at the end of last season was \$1,336,609, as figured by the Players Association.

These are some of the results that can be gleaned from opening-day payrolls, which for the most part continue to reach unprecedented highs. Except for teams like the Expos.

The low-revenue Canadian team finished last season with a \$18.4 million payroll and has sliced that in half, to \$9.2 million. Belle, with the Chicago White

Sox, and Sheffield, with the Florida Marlins, will both be paid \$10 million in salary this season. The Atlanta Braves are paying Maddux \$9.6 million.

The Expos have only two players earning more than \$550,000 — Rondell White at \$2 million and Carlos Perez at \$1.5 million. By contrast, the high-revenue Orioles have 12 players making more than \$500,000.

The Orioles' payroll of \$70,408,134 is the first to reach the \$70 million plateau. Not even the Yankees have been there. The Yankees opened this season at \$63,159,901, although other payments add significantly to their costs. They have paid a total of \$9.1 million in trades involving Chuck Knoblauch, Ken Griffey Jr. and Charlie Hayes, and owe the Minnesota Twins an additional \$500,000 next year for Knoblauch.

Payrolls are computed in different ways for different reasons. The luxury-tax payroll calculation determines the five teams that pay a tax at the end of the year. That computation is based on a team's entire 40-man roster, using salaries from one-year contracts and the average annual value of multiyear deals.

The opening-day payrolls, compiled from information given to agents and clubs, are based on this season's salaries and pro-rated shares of signing bonuses for players on the 25-man rosters and the disabled list. Using the latter method, the Yankees finished last season with the highest payroll, \$65 million, ahead of the Orioles' \$63 million. Now that the owner of the Orioles, Peter Angelos, has shown that he will not be outspent by Steinbrenner, he expects his team to produce the same results on the field.

The Florida Marlins spent extravagantly last year, determined to field a contending team that would lure fans to Pro Player Stadium. They won the World Series with a \$53.5 million payroll, but now have slashed it to \$33.4 million. The Marlins have more than twice as many players (nine) earning the \$170,000 minimum salary as the Expos (four).

The Cincinnati Reds are another team that has cut and slashed, right up until the eve of opening day, when they traded Dave Burba, their scheduled opening-day starting pitcher, and his \$2.8 million salary. The trade left the Reds, who finished last season at \$37 million, with a payroll of \$21,995,000.

A Sexier Slovakia: The Davis Cup Helps

International Herald Tribune

BRATISLAVA, Slovak Republic — This capital city, as Slovaks are often reminded, is not Prague. There are no historic bridges spanning the river that flows nearby, no booming tourist industry to fill up coffers and cafes, and no immediate prospect of being invited to join the European Union.

This is the lesser half of the Czechoslovakia that split apart amicably on the first day of 1993: a landlocked place often confused with Slovenia by foreigners, and nearly as confused internally about what it hopes to become.

Filmmakers do know Slovakia, but that is because production costs, like the local economy, are negligible. Even when they film, they turn the country into something else. In "The Peace-maker," Bratislava was Vienna and Sarajevo. In an upcoming production, Slovakia's scenic Tatras Mountains will become the American west.

How then to put one's new nation on the radar screen?

"Sport is one way to get known," said Miloslav Mecir, the 1988 Olympic gold medalist in men's tennis who is probably the world's most recognizable living Slovak if you discount Martina Hingis, who spent only her first seven years here.

"There are so many new, little countries," said Mecir, now captain of the Slovak Davis Cup team that will host Sweden here beginning Friday in this year's first round. "I think it's quite difficult for people around the world to distinguish which is which. But I don't think any businessman has done so much for the country's image lately as our tennis players."

Vantage Point/CHRISTOPHER CLAREY

Not that Mecir, the child of a Slovak mother and Czech father, thinks his chosen republic is on everyone's lips. But it clearly has been a much better year for his pupil, Karol Kucera, than for his struggling, searching country, which has become a hotbed of organized crime. Slovakia is also currently without a president because Prime Minister Vladimir Meciar's three-party coalition abstained from voting for a replacement for Michal Kovac — so Meciar could assume those powers in the critical electoral period leading up to the next general election.

Kucera's first bloodless coup came when he and Karina Habsudova joined forces for Slovakia and won the Hopman Cup. Then Kucera proceeded to reach the semifinals of the Australian Open, upsetting Pete Sampras along the way. All of which helps explain why the 3,000-seat Kongresova Hall C with its freshly laid clay court is sold out for the next three days.

"People are really tired of bearing about politics here," said Jan Krosak, who plays doubles with Kucera. "They never know what is coming next, and every time it's the same: all the scandals. They are trying to find something else that can make them happy. Sport helps people forget these things for a little while, and we try with our efforts to help them and help our families be happy."

The Czech half was always the much stronger tennis half in the years when Czechoslovakia was united, producing all-time greats like Jan Kodes, Martina Navratilova and Ivan Lendl. When the nation split, the Czech Republic stayed in

the Davis Cup's elite World Group while the Slovaks had to start at the bottom. But after 11 victories and a single loss to Egypt, Mecir's team has climbed from Group III to the World Group.

The prime minister may make an appearance at the tie, but Sweden's top two singles players will not. The Swedes crushed the United States, 5-0, in last year's Davis Cup final, but Jonas Bjorkman is now out with a viral infection, and Thomas Enqvist is out with yet another injury, this one to his wrist. And then there is Nicklas Kulti, Bjorkman's regular Davis Cup doubles partner, who is home in Sweden celebrating the birth of his first child.

NEITHER Bjorkman nor Enqvist thrive on clay. Magnus Larsson does, but like a high diver he beats on adding a degree of difficulty, the Swedish captain Carl Axel Hageskog has elected to leave Larsson out of the singles lineup and go with Mikael Tillstrom and Magnus Norman — two good clay-court players who have never played a Davis Cup singles match in their young lives.

Hageskog said: "To be fit is more important on clay than Davis Cup experience."

Perhaps, but Hageskog surely remembers that, only a year ago, France became the first defending champion to be eliminated from the Davis Cup in the first round. That happened in Sydney, but this year, in a much grayer and unlikely place, Sweden could very easily suffer the same fate.

Escorts & Guides

BELGRAVIA

ORCHIDS

LONDON - EUROPE

THE FINEST & THE MOST SINCERE
18 - 30+ INTERNATIONAL
BEAUTIFUL & ELEGANT
SECRETARIES, AIR HOSTESSES &
MODELS - AVAILABLE AS
YOUR COMPANION 24 HOURS
Escort Agency Credit Cards Welcome

TEL: LONDON ++44 (0)

0171 589 5237

ATLANTIC

Worldwide Service

A Privileged Few enjoy our
Platinum Membership
Your Dreams are Our Reality
We have an Exclusive Hand Picked
Portfolio Offering the Ultimate
Escort Service for Global Travelers

LONDON/NEW YORK/ZURICH/GENEVA

info@atlantic-platinum.com

TEL: 07 074 074 770

+44 (0) 7000 77 04 112233

ARISTOCATS Escort Service

Beautiful Int'l Photo Models
5 Grosvenor St. London W1
London Tel: 0171 258 0050

HIGH SOCIETY

Worldwide Executive Escort Service

Elegant High Class Models
HQ LONDON Tel: 0171 265 1033
PARIS ZURICH BRUSSELS
PRAGUE GERMANY USA DOMINAY

Tel: ++44 (0) 7000 444475
View Model Gallery
E-MAIL: web@h-s.net

international
ESCORTS

Established Since 1971

World's top international agencies

NY USA Helpline: 1-212-765-7898

OFFICE@INTL-ESCORTS.COM

VENUS IN FURS

24HR WORLDWIDE ESCORT SERVICE

LONDON 0171 362 7000

All cards. Advance bookings welcome

PARIS

EURO ESCORTS

+3320-5769-5221 / +331-54228-124

service@euro-escorts.com

FIRST CALL

Model Escort Bureau
Available 24hrs
LONDON 0171 821 8441

HEIDI'S HIGH SOCIETY/VIENNA/PARIS
RIVERA/ZURICH/GENEVA/MUNICH
International Escort & Travel Service
Vienna +4371535 41 04 all credit cardsWARSAW BEAUTY QUEEN'S
WORLDWIDE ESCORT SERVICE
Call +48 (0)62 22145

PARIS

High Escort Service +41 78 637 7884

GIRLS & DOLLS ESCORT SERVICE
MILAN/ROME/ZURICH/ATLANTA/PARIS
BRUSSELS/GERMANY/SWITZERLAND
COTE D'AZUR/SCANDINAVIA/SPAIN
Tel: +39 (0) 335 619 0438 Credit Cards

* FOR ELITE MILAN * ROME *

JULIA +39 0335 800553 ALL CARDS

SVETA'S - CENTRAL LONDON

Top District Escort Service
Tel: 0171 584 2220 credit cards

CHELSEA ESCORT SERVICE

51 Beauchamp Place, London SW1
Tel: 0171-984 6978

ABLE ATTRACTIONS Attractive Artistic

Professional Male & Female Escorts
offering a discreet & reliable 24hr service.
Call Jane on 0171 437 1589

A FIRST CLASS Escort Service

LONDON * HEATHROW *

Tel: 0171 225 2247 (Bates)

AMSTERDAM * DREAMS * ESCORTS

and other Day Service for credit or cash.
Tel: +31 (0) 20-64 02 686 / 04 02 111

Amsterdam JAN BIK ESCORTS.

For hire and sale. Escort service since
1987. Tel: +31(0)20 623 1594/623 3827

ANIQUE & ANY of Mayfair. Two sophisticated

ladies. Escort service. Tel: 0171 494720 or 0558 694013. Credit cards

ARABELLA BEAUTIFUL. Discreet Private

Escort Service. London - Worldwide
Tel: 0171 3523294 or 07570 515510

BERLIN - FRANKFURT - ZURICH

"CARPARK ESCORT AGENCY"
Tel: 0341-840 50 70 77 - Credit Cards

ELEGANT ENCOUNTERS Escort Service

for discreet gentlemen who prefer
the best. Tel: 0171 610 6882

EMILY CULTURED Genuine English

Beauty Private Escort Service. London
Tel: 0181 6252210 or 0558 810250

ESCORT SWEDEN

Escort Service
Tel: +44 (0) 961 804 364

***** FLORENCE *****

SELECTIVE ESCORT SERVICE
LONDON only 0171 252 2886 All cards

FRANKFURT & REGION

Escort Service, Dinner & Date Service
059 - 88 - 920575

GENEVA PRETTY WOMAN

Call 022 / 346 00 89 Escort Agency
Lausanne-Montreux-Geneve-Zurich

MUNICH WELCOME

ESCORT & GUIDE AGENCY
Call 089-91 23 14 or 0172-970 1643

* MADRID/HARMONY/BARCELONA *

Topclass Escort & Dinner Date Service
Tel: 34-1-368.35.88 or 906.91.88.64

NICKY Charmante, Beautiful

Private Escort Service Kensington
Call 0171 589 3739 or 0171 259 2623

TASHA BLACK ELEGANT BEAUTY

Exclusive Private Escort Service
London & Heathrow. 0181602281.Cards

TOP TEN - FRANKFURT

Escort Escort & Travel Service
Please call 059 - 597 4338

* ZURICH *

CAROLINE Escort Service
Tel: 077 / 700672

LIVE - Figure Skating - World Championships
tune in tonight
20.10 (CET)

EUROSPORT

Eurosport, Europe's No.1 Sports TV Channel, available on cable and satellite

سكاي من الامم

POSTCARD

Ugly Scientific Fracas

By Timothy Egan
New York Times Service

SEATTLE — One of the oldest and most nearly complete sets of human remains ever found in North America was given a face last month in a reconstruction by James Chatters, the anthropologist who first analyzed the find.

In clay flesh, the 9,300-year-old face of what is known as Kennewick Man looks like Patrick Stewart, the "Star Trek" actor. The anthropological casting has heightened an already bitter and muddled battle over the rights to Kennewick Man's remains and his origins. It is a battle that extends to questions of race and the origins of the first Americans.

While Kennewick Man's fate is determined in court, his remains are locked away, inaccessible to scientists who want to study him and Indians who want to bury him. But by giving a late-Pleistocene-era skull the face of a late-20th-century British actor, some anthropologists say, Chatters has given a racial identification to something that has been said to defy racial categories.

As Alan Goodman, a professor of anthropology at Hampshire College in Amherst, Massachusetts, put it, "Kennewick Man has become a textbook example of why race science is bad science."

When the bones were discovered in the summer of 1996 along the banks of the Columbia River, in southeastern Washington State, they electrified researchers. Virtually intact, with features described by some anthropologists as both European and Asian, Kennewick Man held the possibility of providing

answers to the many questions about how the Americas were peopled. But bones have been under lock and key as a three-way legal battle is fought out. Researchers have sued to gain access to the bones for research.

The Umatilla Indians of the Columbia plateau say Kennewick Man is their ancestor. They have sued to get the remains so they can give them a proper burial.

And a California pagan group, the Asatru Folk Assembly, says Kennewick Man was a white ancestor to modern-day Europeans. The group has also sued so they can give the remains a burial using ceremonies of pre-Christian Norse worship.

White supremacists are among those who have used Kennewick Man in content that Caucasians came to America well before Indians, and a group that monitors racist organizations has linked some members of Asatru with white-power groups. It denies those contentions.

Responding to reports of supremacist opposition to the Indian claims, some anthropologists have stepped up their criticism of the racial classification of Kennewick Man.

"The academic debate is one thing, but it's a whole other game to think about how this is being used politically," said Goodman, who has written articles in professional journals urging fellow researchers to reject making racial distinctions in archaeological finds.

As the debate and court case go on, researchers fear that their chances for further study are slipping away. All research was halted by the government 19 months ago, pending a resolution in the various claims.

Fighting Ireland's Demons With a Dark Laugh

By Alan Riding
New York Times Service

DUBLIN — The Irish are such obsessive conversationalists that if they were not funny, they would probably be at one another's throats. On second thought, of course, they have been at one another's throats a fair bit, but they have still retained their sense of humor.

Unsurprisingly, given the successive traumas of Irish history, it is a dark sense of humor. But it has also proved immensely useful: In the pub and in literature, it has permitted the Irish both to mock and to celebrate their Irishness. Now, in Neil Jordan's new film, "The Butcher Boy," humor has become the ultimate instrument of survival.

"I think the trick is that you can get away with anything in Ireland if you're funny," said Patrick McCabe, who wrote the acclaimed novel of the same name that Jordan adapted for the screen. "If you hit people over the head with a stick, they get fed up. But if you're witty, you'll be O.K."

Not that humor has been absent from other recent Irish movies, but it has usually been used to lighten political dramas, as in Jordan's last film, "Michael Collins," about the hero of Irish independence. In contrast, "The Butcher Boy" looks at Ireland microscopically through the prism of a 12-year-old boy, Francie Brady, growing up in a small town in the early 1960s. Francie's life is a mess. He is also very funny. And like many of the Irish, he likes to tell his own story.

"It's a very dark film," Jordan conceded. "But what I reinforced was the insane incurable optimism of the central character. He more makes you laugh, the more deeply you feel his tragedy, and that's because the more you like him. So this thing of laughter and savagery, laughter and savagery almost became the rhythm of the movie."

At first glance, of course, the story of Francie, played by Eamonn Owens, is anything but uplifting. His father, Benny (Stephen Rea), is a drunk, while Ma Brady (Aisling O'Sullivan) is sliding toward madness. But Francie and his best friend, Joe (Alan Boyle), live in their own fantasy world fed by comic books, television films and news broadcasts about the Cuban missile crisis, a world in which Francie walks tall, indifferent to gossip about his dysfunctional family.



Eamonn Owens, left, with Stephen Rea in Neil Jordan's "The Butcher Boy."

Indifferent, that is, until his pompous neighbor, Mrs. Nugent (Fiona Shaw), pronounces Benny Brady "no better than a pig." And with that, in the name of the Pig Family, Francie declares war on Mrs. Nugent and her geeky son, Phillip (Andrew Fullerton).

His first reprisal is to climb into Mrs. Nugent's home and write "Phillip Is a Pig" in lipstick on a wall, a gesture that promptly earns him a stint in a reform school run by Roman Catholic priests. There he finds solace in visions of a sensual-looking Virgin Mary (Sinead O'Connor) and earns privileges by dressing up in girls' clothes to please one of the fathers.

When he is finally released, his mother has died. Joe has gone off to boarding school — with Phillip Nugent no less — and Francie is forced to work in a slaughterhouse. He tries to remain upbeat, but then his father dies and he is alone.

Blaming Mrs. Nugent for his troubles, Francie retreats further into his fantasy world until the logic of one final act of revenge against his nemesis seems irrefutable.

So is this Ireland?

"It is totally autobiographical in its mood," said McCabe, 43, who set his story in Clones in County Monaghan, near the border with Northern Ireland, where he was born and lived until he was 17 and where most of the film was shot. "The actual incidents are, of course, not autobiographical at all."

To Jordan, though, it was the book's mood that struck a familiar chord.

Although five years older than McCabe and reared in a middle-class, book-friendly home in Dublin, Jordan remembers the Ireland of the early 1960s as poor, introspective, dominated by the Catholic Church and still scarred by centuries of British rule. Even in the early 1970s, when Jordan joined other young Irish working as a laborer in London, "we carried around a sense of inferiority almost like an overcoat," he said.

Today, in a land that is increasingly prosperous and self-confident, that Ireland is hard to discern.

"Francie's story could not happen now," Jordan, a stocky, dark-haired man, said over lunch in a restaurant in Dublin's Temple Bar district, the heart of the country's bustling

arts world. "It's definitely a portrait of things as they were in the 1960s. For one thing, there are few priests in schools nowadays. There's huge consciousness of the level of abuse that went on. A kid could not be ignored like that. There are child-care services now. But 'The Butcher Boy' is a very good account of how things actually were."

In that sense, then, the movie does fit into Irish cinema's attempt to probe aspects of Irish history and society that until recently no one dared to address because, in Jordan's words, "discussion of them was so politically loaded." This was certainly the case with the film about Michael Collins, who became a hero for fighting the British and was then murdered in the civil war that followed Irish Home Rule in 1922. In "The Butcher Boy," the Ireland of 35 years ago looks no more appealing, a reminder to today's youth of how bleak things were not so long ago.

What gives the book and the movie a certain universality, though, is that they penetrate the mind of a boy floating dangerously between imagination and reality. The imagination and reality may be rooted in Clones in the early 1960s, but a boy could be equally unbalanced by a mixture of pain and dreams anywhere in the world. It is his humor that is so distinctly Irish.

After his arrest, Francie asks if he will be hanged. "I'm sorry, Francie, but there's no more hanging," a policeman replies. "Serious! What's this country coming to?" Francie asks indignantly.

Jordan said he found it something of a relief not to be dealing head on with the perennial issues of Irish identity, with "the cross between politics and poetry," as he put it. McCabe in turn said he was only interested in recreating an imaginary world, not in denouncing the Catholic Church.

"There's nothing more tedious than Irish novelists banging on about the oppression of Catholicism," he said in a telephone interview from his home in Sligo. "I found Catholicism quite imaginative and a rich kind of inheritance, particularly in that period. I always found it a kind of vast and exotic mine to chip away at and use in terms of imagery."

Jordan said he could not resist casting McCabe, as the boozy hobo Jimmy the Skite. "The beginning and end of my acting career, I would imagine," McCabe said dryly of his performance. "Brawling drunk. eh. I'm a great one for the stereotype."

PEOPLE

PRIVATE letters written by Diana, Princess of Wales, to her lover, James Hewitt, have been handed over to Kensington Palace after a woman tried to sell them to a tabloid newspaper, press reports said Thursday. Hewitt's fiancée, Anna Ferretti, tried to sell 62 handwritten letters to editors of The Mirror for £150,000 (\$250,000), saying she wanted to sell them before Hewitt did, the newspaper reported. The Mirror said that it agreed to pay Ferretti £1,000 in cash against the contract and that it never intended to publish the letters. The newspaper handed over the bundle to Kensington Palace, the princess's former home, with a formal letter promising not to publish or reproduce copies, according to The Mirror and two other tabloid newspapers.

Merce Cunningham and Paul Taylor are among six recipients of the Doris Duke Awards for New Work. The annual awards, which carry cash prizes from \$15,000 to \$100,000 and were established this year, are administered by the American Dance Festival in Durham, North Carolina. The other recipients are Elizabeth Strehl, Nathan Birch, David Grenke and Jawole Willa Jo Zollar. The festival also announced the winners of the Doris Duke Millennium Awards for Modern Dance and Jazz Music Collaborations, which will be given to six choreographers and six jazz composers over three years. The winners: for 1998, Pilobolus Dance Theater with Maria Schneider, and David Parsons with Phil Woods; 1999, Bill Jones with Fred Hersch, and Taylor with

a composer yet to be announced; 2000, Trisha Brown with Billy Taylor, and Martha Clarke with Randy Weston.

The Chilean poet Gonzalo Rojas was awarded the first \$100,000 Octavio Paz Prize for poetry and essay writing. Rojas, born in 1917, began his writing career in the 1930s and his major works include "Contra la Muerte" (Against Death) and "Oscuro" (Dark). The prize was awarded in Mexico City

on the 84th birthday of the Nobel laureate Octavio Paz, who had chaired the jury.

President Oscar Luigi Scalfaro of Italy gave a medal Thursday to the designer Valentino for his achievements in the fashion industry and for promoting the prestige of the "Made in Italy" campaign all over the world.

Persistent cracking in Elvis Presley's Hollywood Walk of Fame star forced a jackhammer crew to remove it from the spot where it has been attracting fans for 38 years. The pink terrazzo base was replaced 16 months ago but it began deteriorating again. Until they figure out why, the Elvis star will be a few blocks west — next to the stylized gazebo featuring the actresses Dolores Del Rio, Anna May Wong, Dorothy Dandridge, Mae West and Marilyn Monroe.

New York City has turned down a request from a "Seinfeld" sponsor to host a private bash in the heart of the theater district the night of the last episode in May. "It would have created traffic problems of monumental proportions at the height of rush hour in one of the heaviest traveled areas of the city," said a spokeswoman for Mayor Rudolph Giuliani. Fuji Photo Film wanted to stage a party and a massive viewing of the May 14 show on the giant video screen overlooking Times Square.

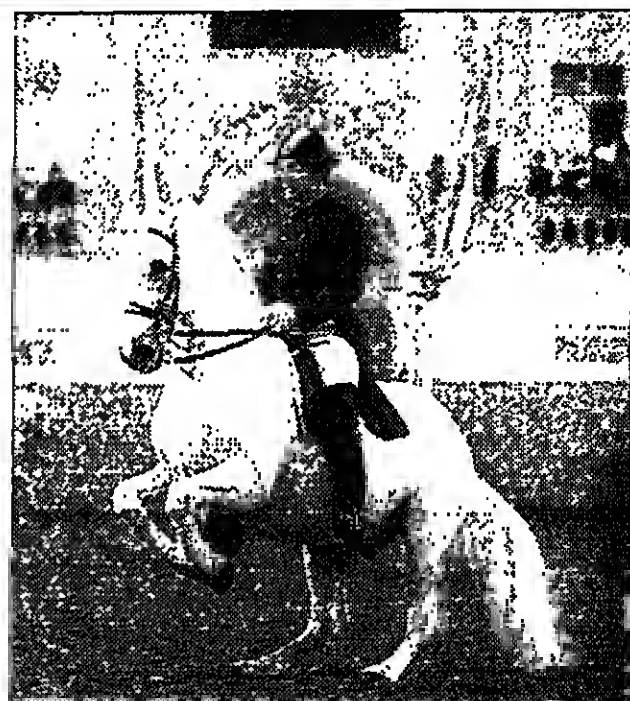
A Tribute to Stockhausen

Agence France-Presse

PARIS — The French conductor Pierre Boulez set up three tribute concerts of an experimental work by Karlheinz Stockhausen as part of events marking the German composer's 70th birthday this year.

Boulez, Peter Eotvos of Hungary and the American conductor David Robertson are all conducting Stockhausen's "Gruppen" in Paris next week.

"Gruppen" is designed for three orchestras set around the audience and gives the impression of one piece of music moving from place to place. Each concert will feature two performances of "Gruppen" so the audience can change seats and appreciate a different sound effect.



SIT — A Lipizzaner of the Spanish Riding School getting a workout at the Hofburg palace in Vienna.

(at your service)

To reach the other side of the world the easy way, use AT&T DIRECT™ SERVICE. Simply dial the access number for the country you're in and you'll be connected to English-speaking operators and get AT&T's quick, clear connections. Plus, you can use your AT&T Calling Card or any of these major credit cards.

Now, what could be easier than that?

It's all within your reach.



Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from. 2. Dial the phone number you're calling. 3. Dial your card number.

AT&T ACCESS NUMBERS					
Austria	022-985-011	Greece	00-800-1311	Saudi Arabia	1-800-100-1000
Belgium	0-800-100-10	Ireland	1-800-880-080	Spain	900-99-00-11
Czech Republic	80-42-000-101	Israel	177-100-2727	Sweden	020-795-611
Egypt (Cairo)	510-0200	Italy	172-1011	Switzerland	0800-89-0011
France	0-800-99-0011	Netherlands	0800-022-9111	United Kingdom	0500-89-0011
Germany	0130-0010	Russia (Moscow)	755-3042	United Kingdom	0800-89-0011

For access numbers not listed above ask any operator for AT&T Direct™ Service, or visit our Web site at <http://www.att.com/traveler>

Circle card calling subject to availability. Payment terms subject to your credit card agreement. Solid black countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. *U.S. phone numbers require coin or card deposit. *Calling available to most countries. *United States only. *Public phones require local coin payments during the call. *Out 100* first outside U.S. *Additional charges apply outside U.S. *U.S. access number in N. Ireland 01946 AT&T